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SELECTED LEGISLATIVE HISTORY MATERIALS

Relating to

PUBLIC LAW 93-86
93rd CONGRESS, S. 1888
August 10, 1973

2001
AGRICULTURE AND CONSUMER PROTECTION ACT OF 1973

as it amended the

AGRICULTURAL ACT OF 1970

Wash., DC

Compiled by Program Analysis Branch
Dairy Division, Agricultural Marketing Service
United States Department of Agriculture
November 1973

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Printed hearings not included in this compilation:

1. H.R. 2850 and similar bills, "Dairy Price Supports," before the House Subcommittee on Dairy and Poultry, Serial 93-C, February 8 and 9, 1973.
2. S. 517, "Extension of Farm and Related Programs," before the Senate Committee on Agriculture and Forestry;
 - Part 1: February 27, 28; March 1, 2, 8, 9, 13, 14, and 29, 1973.
 - Part 2: Chickasha, OK, April 6, 1973; Ardmore, OK, April 7, 1973.
 - Part 3: Montgomery, AL, April 18, 1973.
 - Part 4: Ames, IA, April 19, 1973.
 - Part 5: Waynesboro and Macon, GA, April 19; Waynesboro, Macon and Tifton, GA, April 20, 1973.
 - Part 6: Huron, SD, April 27, 1973.
3. "General Farm Program," before the House Committee on Agriculture, Serial 93-K, March 20, 22, 23, 27, 28, 29, 30; April 2, 3; June 6, and 7, 1973.

CHRONOLOGY OF ACTIONS ON P.L. 93-86

<u>Date</u>	<u>Action</u>
January 23, 1973	Sen. Young introduced S. 517 to extend the Agricultural Act of 1970 for five years.
February 8 & 9	Hearings and meetings by the House Dairy and Poultry Subcommittee.
March 20	
May 30 & 31	
June 7 & 8	
February 27-March 14 & 19, April 6, 7, 18, 19, 20, & 27	Hearings by Senate Committee on Agriculture and Forestry.
May 23	Sen. Talmadge reported S. 1888 from Committee. Senate report on S. 1888 issued.
June 5	Senate began consideration of S. 1888.
June 6	Amendment No. 158 (Hart) to delete several dairy provisions was passed.
	Amendment No. 195 (Saxbe) to delete the 80% of parity support price provision for milk was rejected.
June 7	Amendment No. 191 (Percy) to delete the 2% restriction on dairy imports was rejected.
	Amendment No. 208 (Aiken, Humphrey and Dole) to restore provisions stricken by Hart amendment was rejected.
June 8	Amendment No. 190 (Percy, modified by Nelson) to extend dairy indemnity to cover cows was passed.
	S. 1888 was passed by Senate.
June 12	S. 1888 was introduced in the House.
June 20	H.R. 8860 introduced by Rep. Poage.
June 27	House Report was issued.
July 10	House began consideration on H.R. 8860.
July 11	Amendment (Railsback) to delete casein from dairy import licensing passed.
July 16	Amendment (Findley) to delete the 80% of parity support price provision for milk was rejected.
	Amendment (Vanik) to provide that dairy import licenses shall not be sold, transferred, or assigned was passed.
	Amendment (Findley) to strike section dealing with dairy import licenses was rejected.
July 19	H.R. 8860 passed by the House. Substituted the provisions of H.R. 8860 for those of S. 1888.
July 23	Senate disagreed to House amendments to S. 1888.
July 31	Conference Report to accompany S. 1888 was issued.
	Senate substituted resolved differences into S. 1888.
August 3	House concurred on Senate substitution, with one additional amendment.
	Senate concurred with amendment from the House.
August 10	Public Law 93-86 signed by President Nixon.
September 17	Senate passed S. 2419 to correct typographical and clerical errors in Public Law 93-86.
October 1	House suspended rules and passed S. 2419.
October 18	Public Law 93-125 signed by President Nixon.

Calendar No. 165

93d CONGRESS
1st Session

SENATE

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REPORT
No. 93-173

AGRICULTURE AND CONSUMER PROTECTION ACT OF 1973

MAY 23, 1973.—Ordered to be printed

Mr. TALMADGE, from the Committee on Agriculture and Forestry,
submitted the following

REPORT

together with

ADDITIONAL VIEWS

[To accompany S. 1888]

The Committee on Agriculture and Forestry reported an original bill (S. 1888), to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices, and recommends that the bill do pass.

PURPOSE OF THE BILL

The country appears to be moving toward a period of shorter supplies of food and fiber with consequent higher prices to consumers. The purpose of this bill is to assure the production of adequate supplies at reasonable prices to consumers by insuring producers against losses if their expanded production results in prices below the target prices.

If market prices rise above the target prices, the cost to the government will be nothing. If prices fall below the target prices, the consumer will reap the advantage and the persons meeting the consumers' needs for food and fiber will have been protected from the price effects of excess production. Unlike the current program, there will be no payments if the market price equals or exceeds the target price.

The bill amends and extends the Agricultural Act of 1970 for five years. Some of its provisions would be permanent.

(1)

MAJOR PROVISIONS OF THE BILL

(By Titles of the Agricultural Act of 1970)

~~TITLE I—PAYMENT LIMITATION~~~~The bill—~~~~(1) Continues the existing \$55,000 payment limitation, but excludes compensation for resource adjustment or public access for recreation therefrom.~~~~TITLE II—DAIRY~~~~The bill—~~~~(1) Extends Class I base plan authority, Armed Services' milk program, and dairy indemnity programs five years.~~~~(2) Permits members' bases under a Class I or seasonal base plan to be allocated to their cooperatives.~~~~(3) Permits history represented by a base under a cooperative, state, or federal base plan to be considered as history under a federal order Class I base plan.~~~~(4) Permits the orderly phasing out of prior cooperative, state, or federal base plans.~~~~(5) Makes it clear that the return to a producer for milk in excess of a Class I or seasonal base may be fixed at a rate below the lowest class price.~~~~(6) Permits issuance of manufacturing milk orders without minimum price provisions, and provides for price posting in manufacturing milk orders which do not provide for minimum prices.~~~~(7) Permits milk orders under section 8c(5) to fix minimum charges for services performed for handlers (to assure that minimum price guarantees will not be impaired).~~~~(8) Permits location differentials used in computing minimum prices paid by handlers to differ from those used in computing producer returns where appropriate to direct the flow of milk.~~~~(9) Makes it clear that the provisions for assurance that handlers pay for milk purchased by them is applicable to such payments to cooperatives, and permits milk orders under section 8c(5) to provide for payments to cooperatives for market-wide services performed by them (such as furnishing facilities, regulating the flow of milk to the market, absorbing surplus milk, etc.).~~~~(10) Provides authority for standby reserve pools supported by payments from one or more orders which would supply milk when needed to such order areas.~~~~(11) (Page 8, line 20, through page 9, line 6) Requires a hearing on a proposed amendment to a milk order if requested by one-third of the producers.~~~~(12) Enlarges the criteria for determining minimum prices under marketing orders and support prices to include assuring a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs.~~~~(13) Provides milk price support at not less than 80 percent of parity for current marketing year.~~~~(14) Makes the suspension of the butterfat support program (and addition of the new price support criteria described in item 12) permanent.~~

(15) Extends the dairy product pesticide indemnity program to cover cows and to other environmental pollutants contaminating cows or milk.

(16) Restricts dairy imports to 2 percent of consumption.

TITLE III—WOOL

The bill—

(1) Extends the wool program for 5 years.

(2) Expands the market promotion authority of the National Wool Act of 1954 to cover information on product quality, production management, and marketing improvement, and to provide for overseas promotion of U.S. mohair and goats.

TITLE IV—WHEAT

The bill—

(1) Extends the wheat set-aside program, with the changes indicated below.

(2) Provides for a program for the 1974 through 1978 crops of wheat under which—

- (a) Marketing certificates would not be issued to producers or, effective January 1, 1974, required to be purchased by processors;
- (b) If the higher of the loan level or average market price received by farmers during the first five months of the marketing year should be less than an "established" price of \$2.28 per bushel (70% of the May 1, 1973, parity price), adjusted for 1975 and subsequent years to reflect changes in production costs, a government payment would be made to producers on each farm equal to the difference between such higher loan or average price and such established price multiplied by the projected yield of the farm acreage allotment. In the case of farmers prevented from planting any portion of their allotments to wheat or other non-conserving crop, such payment would not be less than one-third of such established price;
- (c) The Secretary could permit guar, castor beans, or other crop to be counted as wheat for the purpose of preserving the farm wheat acreage allotment;
- (d) The national acreage allotment would be calculated to cover both domestic consumption and exports, but would be apportioned among states, counties, and farms in the same manner as now provided for the national domestic allotment.

(3) Permits the Secretary to make payments to assist in carrying out practices on set-aside acres for pest and erosion control and the promotion of wildlife habitat.

(4) Makes the provision requiring that the projected yield not be less than the producer's proven yield inapplicable to wheat.

(5) Provides for release without penalty of wheat stored to avoid penalty.

TITLE V—FEED GRAINS

The bill—

(1) Provides for a set-aside program for the 1974 through 1978 crops of feed grains generally similar to that provided by the Agricultural Act of 1970, but under which—

AVERAGE GROSS HOURLY AND WEEKLY EARNINGS IN SELECTED PRIVATE NONAGRICULTURAL INDUSTRIES, 1952-72—Continued

[For production or nonsupervisory workers]

Year	Hourly earnings				Weekly earnings			
	Total private nonagri- cultural		Manufac- turing	Contract construction	Total private nonagri- cultural		Manufac- turing	Contract construction
	Retail trade ¹	Retail trade ¹	Retail trade ¹	Retail trade ¹	Retail trade ¹	Retail trade ¹	Retail trade ¹	Retail trade ¹
1962	2.22	2.39	3.31	1.63	85.91	95.56	122.47	60.96
1963	2.28	2.46	3.41	1.68	88.46	99.63	127.19	62.66
1964	2.36	2.53	3.55	1.75	91.33	102.97	132.06	64.75
1965	2.45	2.61	3.70	1.82	95.06	107.53	138.38	66.61
1966	2.56	2.72	3.89	1.91	98.82	112.34	146.26	68.57
1967	2.68	2.83	4.11	2.01	101.84	114.90	154.95	70.95
1968	2.85	3.01	4.41	2.16	107.73	122.51	164.93	74.95
1969	3.04	3.19	4.79	2.30	114.61	129.51	181.54	78.66
1970	3.22	3.36	5.24	2.44	119.46	133.73	195.98	82.47
1971	3.43	3.56	5.69	2.57	126.91	142.04	212.24	86.61
1972 ²	3.65	3.80	6.05	2.70	135.78	154.28	223.75	90.72
Percent change: 1952-72	+140	+130	+184	+148	+107	+130	+170	+109

¹ Includes eating and drinking places.² Preliminary.

Source: Department of Labor, Bureau of Labor Statistics.

COMMITTEE CONSIDERATION

The Committee began preparations for the consideration of a farm bill even before the 93rd Congress convened. The Committee realized that farm programs had come under severe criticism in some national news media and from many elements of our society. On December 5, 1972, the Chairman requested Secretary Butz to provide the Committee with a current analysis of the probable effect on farm income and major groups of producers, if all price support and acreage adjustment payments were discontinued. The Library of Congress was requested to do a study on the economic implications of allowing dormant statutory price support provisions to become effective on the expiration of the Agricultural Act of 1970. These studies showed that the failure of the Congress to pass a farm bill would have disastrous consequences on the nation's farmers.

In an effort to expedite consideration of the farm bill, the Chairman requested that Secretary Butz present a farm bill in legislative language by February 1. However, in the absence of such a proposal, the Committee proceeded to hear from public witnesses, using S. 517 as a base. The Committee made a special effort to hear from practicing farmers and it did hear from a record number of them. During eight days of hearings beginning on February 27 and ending on March 14, the Committee heard 110 witnesses. These witnesses were almost unanimous in urging that the Agricultural Act of 1970 be extended. Although various witnesses had some suggestions for improving the Agricultural Act of 1970, they were basically satisfied with the present program.

The hearings were concluded with testimony from Secretary Butz on February 29. The Secretary testified that the Administration also favors extension of the Agricultural Act of 1970. He pointed to record net farm income, record agricultural exports, improved farm efficiency and record farm program participation as evidence that the Agricultural Act of 1970 was working.

~~However, the Secretary recommended some changes in the present program. He recommended a phase out of income supplement payments over a three-year period and a shift at the end of three years from the present system of individual crop allotments and bases to a new cropland base.] The following excerpt from Secretary Butz' statement gives his specific recommendations for a farm program:~~

~~"First, income supplement payments, payments that exceed the amount necessary to achieve set-aside or production adjustment objectives, should be phased out over a 3-year period. The 3-year period would provide an orderly transition and give farmers a specific time in which to make their long-range plans as they shifted their income dependence to growing market demand.~~

~~Set-aside payments for production adjustment would continue as needed to prevent surplus accumulations. However, the mandatory requirement for making payments regardless of the amount of land set-aside, should be modified.~~

~~Second, as the income supplement payments are being phased out at the end of 3 years, we recommend a shift in the fourth year from the present outdated allotments and bases to a new cropland base. This would broaden the set-aside concept by basing production adjustment, as needed, on total crop acreage rather than limiting the adjustment to historical acreages of certain crops.~~

~~The set-aside requirement in a given year would be a percentage of the cropland base established for each farm. The payment rate per acre would be set at a level needed to get the total set-aside acreage required to meet the production adjustment goal.~~

~~Third, the basic payment limitation of \$55,000 should apply to income supplement payments only during the 3-year phaseout. The payment limit—as it applies to income supplements—should be reduced over the 3-year period in proportion to the reduction in income supplement payments.~~

~~To function, set-aside payments for production adjustment should be excluded from the \$55,000 limitation. In the effort to rent land to adjust production, a payment limit would be counterproductive in that acreage where payments are above the \$55,000 level would be arbitrarily forced into production and excluded from the set-aside. We intend that this would be included in the legislation for set-aside production adjustment payment even during the 3-year phaseout of income supplements.~~

~~Fourth, with respect to the dairy program, we recommend that the 75 percent of parity minimum price support level be removed to give greater ability to respond to changing conditions. We also recommend that the 1970 act provisions, which temporarily suspended the requirement for direct support on butterfat, be made permanent. However, we do not believe that a comparable case can be made for a permanent class I base plan.~~

~~Fifth, the Secretary should have discretionary authority to set payments for wool and mohair at levels he determines necessary to meet income and other program objectives."~~

~~Because the Committee felt that it was important to hear the views of the grass roots and because it knew that many farmers would be unable to come to Washington to present their views, field hearings were held in five states. Hearings were held in Oklahoma on April 6 and 7; in Alabama on April 18; in Iowa on April 19; in Georgia on April 19 and 20, and in South Dakota on April 27. A total of 180 witnesses were heard and they reaffirmed the public testimony that the Committee had heard in Washington. The witnesses desired a continuation of the Agricultural Act of 1970 and many testified that if income supplement payments were phased out, they would have to quit farming.~~

The Committee began Executive Sessions on farm legislation on May 1st and completed consideration on May 9. The Committee used S. 517, which extended the first seven titles of the Agricultural Act of 1970 for five years, as a vehicle for considering farm legislation. The Committee approved several amendments which were designed to strengthen the marketing of dairy products and which had broad support from major organizations representing the dairy producers.

~~Senator Young offered a proposal for wheat in which there would be an established price for wheat which would be deemed to be a fair market price to the farmer. As long as the market price for wheat would remain at or above the established price, farmers would receive no government payments. Any government payments that would be made would be in the amount needed to make up the difference between the average market price and the established price.~~

~~Members of the Committee thought that this was a good approach for feed grains and cotton as well. The Committee did not feel that it could justify substantial government payments to farmers if market prices were high. It felt all of agriculture should be market-oriented and that the price of agricultural commodities should be set by the free market rather than by the government. It agreed that we should urge farmers to continue to produce for the world market so that agricultural exports would be increased. However, it did not feel that the farmers should be encouraged to increase production without any income and price protection. Therefore, it adopted for feed grains and cotton, as well as wheat, a program in which the farmers would be guaranteed 70 percent of parity for production on their base acreage allotment during the first year of the program. This would mean an established price of \$2.28 a bushel for wheat, \$1.53 per bushel for corn, and 43 cents per pound for cotton. The Committee was mindful that production costs for farmers might change during the five-year life of the farm program. During the past year prices paid by farmers for production items, interest, taxes and wages have increased by 14 percent. Therefore, the Committee bill provides that the established price will be changed each year to reflect changes in prices paid as shown by the index of prices paid for production items, interest, taxes, and farm wage rates.~~

~~Other than this basic change in the way that payments are made, the Committee makes few changes in the Agricultural Act of 1970. The Committee bill continues the emphasis on expanded production with minimal governmental interference and it continues the flexibility that is provided under the set-aside program. Prices of agricultural commodities will be set by free markets rather than by the government~~

Thus, the Committee bill is an attempt to deal with a number of issues involving the production, marketing, and distribution of food, fiber, and forest resources. The Committee feels that the bill represents a balanced and reasoned approach to these issues.

PARAGRAPH BY PARAGRAPH EXPLANATION OF SECTION 1 OF THE BILL

Except for the short title "Agriculture and Consumer Protection Act of 1972", which is contained in section 2, the bill is comprised of a single section which extends (generally for five years) and amends the first seven titles and a portion of title VIII of the Agricultural Act of 1970, and adds a new title X. Title IX of that Act is permanent law. Section 1 is divided into paragraphs as follows:

PARAGRAPH (1)

(Payment Limitation)

Paragraph (1) extends title I of the 1970 Act, which provides for a payment limitation, for five years, and amends it to exclude payments for resource adjustment and public access for recreation.

Title I established a payment limitation of \$55,000 which a person (as defined by the Secretary) could receive annually on each of three major commodities under price-support—wheat, feed grains and cotton. Included were price-support payments, set-aside payments, diversion payments, public access payments, and marketing certificates—but not loans or purchases. Inclusion of payments for resource adjustment and public access tends to defeat the purpose of the program, since farmers subject to the limitation will not voluntarily divert additional acreage without payment, and title I specifically requires that set-aside requirements be reduced commensurate with the required reduction in payments. In recommending the amendment made by this paragraph, the Secretary of Agriculture stated "To function, set-aside payments for production adjustment should be excluded from the \$55,000 limitation. In the effort to rent land to adjust production, a payment limit would be counter-productive in that acreage where payments are above the \$55,000 level would be arbitrarily forced into production and excluded from the set-aside."

This paragraph necessarily leaves the decision as to what part of any payment represents fair consideration for resource adjustment or public access to the Secretary. Public access payments should present no problem since they are made for that specific purpose, but other payments may require a more difficult determination. Under existing law, nonrecourse payments of a fixed amount are required to be made in advance in the case of cotton and feed grains, without regard to production objectives or the amount of land required to be set-aside. These payments would not be required by the bill, but the bill does provide for payments which would depend on market fluctuations for their determination and are fixed by statute with reference to annual production needs but otherwise without regard to resource adjustment objectives. Payments for erosion and pest control practices and wildlife habitat practices on set-aside acres would appear to be the kind of payments for resource adjustment that clearly should not be subject to a payment limitation.

PARAGRAPH (2)

(Milk Marketing Orders)

Paragraph (2) extends section 201 of the 1970 Act, which dealt with dairy base plans for five years, with a number of amendments relating to base plans and to other provisions of law dealing with milk marketing orders.

Most of these amendments provide authority for the inclusion of additional provisions in marketing orders if the Secretary finds that their inclusion tends to effectuate the purposes of the Act. Inclusion of such provisions is not mandatory and they can be included only if they tend to effectuate the purposes of the Act.

BACKGROUND

FEDERAL MILK ORDERS

At the present time, there are 60 Federal milk orders in effect. They regulate almost 80 percent of the milk eligible for fluid use in the country. These orders are proposed by dairy farmers in an area, developed by the Secretary of Agriculture on the basis of a public hearing, are made effective only after approval by producers supplying the proposed marketing area and may be voted out by producers at any time.

Federal milk orders regulate transactions between milk dealers and dairy farmers in a specified marketing area. Under these orders, milk dealers are required to pay minimum prices for milk in accordance with the use made of milk. Retail milk prices are not regulated by Federal orders.

Prices for milk for fluid purposes (Class I) are established at levels necessary to assure an adequate supply of milk. Prices for milk going into manufactured dairy products (Class II) are established at levels which approximate the price paid farmers for milk at unregulated manufacturing plants. Prices established for Class I milk are higher than those established for Class II milk. The dairy farmer receives a blend price which reflects the relative utilization of milk in the market going into fluid products and manufactured products.

Existing Class I Base Plan Legislation

Authority for Class I base plans was first included in the Food and Agriculture Act of 1965, and during the 90th Congress was extended without change for 1 year through December 31, 1970, by Public Law 90-559. It was extended again with amendments by the Agricultural Act of 1970 which also provided separately for seasonal base plans and for so-called Louisville plans under which handler payments accumulate during one period for disbursement in another to encourage seasonal production adjustments. In only two orders, those for the Puget Sound, Washington, and Atlanta, Georgia, marketing areas, have Class I base plans been adopted. Present law provides that each producer supplying a market during a representative period may be given a proportion of the market's higher valued Class I sales on the basis of his deliveries during the representative period. Deliveries in excess of a producer's base are priced at the surplus (Class II) price. Bases may be sold and transferred. The purpose of a base

plan is to discourage the production of excess milk by permitting the producer to receive a higher price for his milk that is needed for fluid purposes instead of a blend price for all the milk he is able to produce.

Changes Made by Paragraph (2)

Paragraph (2) would make the following changes in the marketing order law.

(1) Clause (B) adds a new paragraph (vi), under which an order may provide that the quantity of base computed under a Federal order for any producer who is a member of a cooperative association shall be allocated to that association rather than to the individual producer. Such allocation to a cooperative association could apply under a Class I base plan or a seasonal base plan. The base would revert to the producer when he leaves the association, with appropriate adjustments for failure to deliver the amount of his base to his cooperative, failure of the cooperative to deliver the amount of his base to order plants, or diversion by the cooperative of its excess milk to other markets. This provision would facilitate the efficient handling of milk by marketing associations that supply milk to several Federal Order markets. Milk could be moved from a market, where not needed for Class I use to a deficit market, without concern as to the effect on individual members. The present Act requires that a producer's base be reduced pro-rata if delivered part of the period off the specific market. With bases assigned to the marketing association, the association could operate a plan of its own to cover several marketing areas. This would overcome these problems, allow more efficient marketing, and create more easily administered Class I base plans under the orders.

In short, this provision, by allocating the base of the individual members of a cooperative to the cooperative, would allow the cooperative to offset under-deliveries of base by some of its members against over-deliveries of base by other members. As a result, the cooperative could take advantage of the full allocation of its members' bases. The amendment also provides that an individual member on leaving the cooperative would take his history of marketings with him, irrespective of the market to which the cooperative might have delivered his milk (except for his pro rata share of any reduction in the cooperative's base as a result of transferring milk to other markets).

(2) Clause (B) further adds a new paragraph (vii), which permits an order Class I base plan to recognize, on its effective date, "the history of marketing represented by the base" held by a producer under a cooperative association's base plan. A producer under the cooperative's plan may have had his base computed from the production history of a different period from the representative period the Federal order would use. If the producer had reduced his production since the original production history period that was used under the cooperative's plan, the Federal order could provide that the producer's base reflect the period used under the cooperative's plan. The same kind of transition would be allowed in the case of bases assigned under a prior state marketing program or when a new Federal order base plan is substituted for a prior plan being terminated under the order.

Thus, producers who had acquired bases under an existing base plan would not be penalized by a Class I base plan under a Federal

Order, and this would be true whether acquired by the producers' own deliveries or by purchase.

Under the present authority, only the marketings made by the current producer are recognized. Base transfers to him under other plans are not recognized. Hence, a producer who acquired a base by purchase just prior to the implementation of a Class I base plan, has the history of marketings associated with the base acquired only since the date of acquisition. This amendment would allow the Secretary to recognize marketing histories associated with bases transferred under other base plans; and encourage the replacement of cooperative, State, or other Federal order base plans by Federal order base plans.

The new paragraph (vii) also provides for "equitable phasing out" of an existing cooperative association base plan or prior State or Federal order base plan. This contemplates that the history of marketings used under a cooperative's plan, which might be a different history of marketings from that provided under an order, would be updated over a period of time to conform to the history of marketings otherwise provided for under the order. The same kind of transition could apply to the history of marketings used under a state program when a Federal order base plan is adopted, or to a history of marketings previously used under a Federal order Class I base plan, thus allowing a period for gradual elimination of a plan that is to be terminated.

In shifting from one type base plan to another, time is needed for producers to adjust their operations, particularly in instances where the prior plan had a different history period, had a different method of base adjustment and entry of new producers. An abrupt change could greatly penalize a producer under an existing base plan, relative to other producers under the order. Member producers who have voluntarily operated a supply-management program for the market, should not be placed at a disadvantage as individuals, or as a group, when a supply-management program is incorporated in a Federal Order. The proposed amendment would provide for an orderly and equitable transition.

The particular means for phasing out the old history of marketings would depend on the circumstances in each case. The existing law requires that bases be automatically updated each year, and through this procedure the phasing out of old bases might be accomplished. The equitable considerations should result in a method that does not unduly disadvantage either producers who have been under a cooperative base plan or other producers who have not been under such plan.

(3) The new paragraph following paragraph (vii) provides authority for the Secretary to set the price to producers for excess milk under either a Class I base plan or a seasonal base plan at a level he deems appropriate, without regard to class prices under an order. As the law is now interpreted, a producer may not be paid less for excess milk than the price for the lowest-priced class of milk under the order. In some markets, this price for excess milk may not result in a substantial enough incentive for a producer to reduce his marketings. The circumstances in an individual market may affect the decision as to whether a price for excess milk lower than the value of the milk for manufacturing is desirable. This provision, of course, does not affect the price to be paid by the handler for this milk in accordance with the use made of such milk.

(4) Clause (C) extends the provisions of section 201 of the 1970 Act for five years. Since all of the provisions of paragraph (2) of section 1 of the bill are amendments to section 201, they would all expire with the expiration of section 201. That section is now scheduled to expire December 31, 1973 or December 31, 1976 in the case of Class I base plan orders issued before December 31, 1973.

(5) Clause (D) amends section 8c(5)(A) of the marketing order law to—

(i) provide authority to fix under Federal milk orders minimum rates of payment handlers would be required to pay to producers and cooperative associations (over and above the specified class prices) for services they may perform for the handler. Allowable services would include but not be limited to (1) deliveries at specified times, grade, quality, or composition of milk, and (2) milk assembly, refrigeration, storage, laboratory work, quality, supervision and accounting. This provision will provide assurance that producers receive the full price intended by the order. Services performed by producers or producer organizations which are of value to handlers should be paid for by the handlers receiving such services, in addition to payment for the milk.

Activities such as supply balancing, separation, standardization, etc., are true services and are not identified directly with normal farm tank pickup by cooperatives. Such services are performed by cooperatives variously for different handlers for which full compensation should be made to preserve equity among handlers and to deter erosion of the minimum order price structure.

There is no intent that this provision be applied to any activities that must be carried out by those individuals picking up farm tank milk and do not reflect actual services to the handler;

(ii) provide for manufacturing milk marketing orders which provide for price posting rather than minimum prices; and

(iii) permit location adjustments used in computing handler prices and producer uniform prices at a given location to differ. So-called "nearby differentials" would be expressly prohibited.

As implied in the amendment itself, the purpose of differing location adjustments at a given location is to "direct the flow of milk" from one location to another.

Location adjustments are used to reflect the relative value of milk at locations distant from the central marketplace. The present pricing arrangements under milk orders provide that the class price and the producer blend price at a given location be adjusted for location at the same rate. This rate reflects the cost of moving the milk from the distant location to the market center for processing and distribution. Applying the same location adjustment rate to both prices does not always provide the necessary price incentive for attracting producer milk supplies from surplus areas to the processing centers where needed. This is a particular problem when milk needs to be moved other than in the normal pattern of movement.

The adoption of milk order provisions authorized by this amendment would tend to encourage an orderly and efficient movement of milk to processors in the needed amounts.

Nearby differentials were first incorporated in the Boston order in 1936 and later made a part of other New England and the New York-

New Jersey orders. Essentially, these provisions established a uniform price for producers whose farms were located close to the market centers higher than that for producers in distant locations by more than the cost of transportation. The necessary funds were obtained through a deduction from the proceeds due all producers in each market. The differentials were declared illegal by the Supreme Court in December 1969 (*Allen v. Zuber*, 396 U.S. 168; 1969) on the basis that there was no statutory authority for their inclusion in milk orders. This court decision resulted in their deletion from all milk orders.

Their early justification was apparently related to the fact that producers close to the market historically had received higher prices prior to Federal regulation because their milk was more readily available and more dependable than distant country supplies. While this may have been true at that time, technological improvements in transportation, cooling and handling facilities have made distant country supplies as readily available as local supplies. There is no longer a basis for special producer differentials on nearby milk and the amendments to Section 8c(5)(A) of the Act would not authorize reintroduction of nearby differentials.

(6) Clause (D) also amends section 8c(5)(E) of the marketing order law to authorize deductions from pool proceeds prior to the computation of the uniform price to be paid to qualified cooperatives for services of marketwide benefit. A number of examples of such services are specified, but of course it is intended that payment should be made for such services or any other services under this provision only if the Secretary finds that they are actually of marketwide benefit for the advantage of all producers. Economic, education, legal and most other intangible services are specifically excluded from this provision.

The amendment is intended to provide that producers who are not members of the cooperative bear a proportionate share of the cost of the cooperative's activities that have benefit to all producers. Some cooperatives have complained that these services have helped to improve the returns of all producers but the costs have been borne entirely by the member producers. As a result, the members have received a lower net return than nonmembers.

(7) Clause (D) also adds a new section 8c(5)(J) which would provide authority to operate within the Federal order system a "standby pool" of reserve milk. Such a plan could be incorporated into an order or could be in the form of a marketing agreement. A reserve "standby pool" is presently operated by cooperatives on a voluntary basis. Under this arrangement, cooperatives in fluid markets contribute a specified amount per hundredweight on Class I sales to the pool. The funds thus obtained are then paid out to cooperatives in the upper Midwest where reserve supplies of Grade A milk are maintained on a standby basis. In turn, these cooperatives arrange to make their reserve supplies available to the contributing markets as called for. This amendment would provide authority for the transfer of funds from Federal order pools into a "standby pool" for this purpose. The standby pool could be operated by a Federal order or agreement or by voluntary agreements among cooperatives.

Rapid conversion to Grade A milk in the heavy production area of the upper Midwest is creating serious problems relating to how these additional supplies of Grade A milk can be incorporated into the

marketing system in an orderly manner. The standby pool is one potential way of providing a basis for these additional supplies to share in the proceeds from the higher valued Class I sales in an equitable way.

The amendment will allow a broader participation in the standby pool by getting more money paid in and by allowing proprietary handlers to participate.

(8) Clause (D) also amends section 8c(17) to require the Secretary to hold a hearing on a proposed amendment to a milk marketing order if one-third or more of the producers covered by the order apply in writing therefor.

(9) Clause D also amends the pricing standard in section 608c(18) to make it clear that prices in Federal milk orders should be set at levels not only to insure adequate supplies of high quality milk currently, but that price levels established should be such as to assure a level of farm income adequate to maintain the productive capacity in dairying needed to meet anticipated future needs.

The pricing standard now included in the Act requires the Secretary to maintain such prices as will "insure a sufficient quantity of pure and wholesome milk." Although the need for establishing price levels that assure maintenance of adequate productive capacity to meet future needs is probably already embodied in the existing standard, the amendment is to make clear that adequate farm income is an important consideration in setting prices under milk marketing orders.

PARAGRAPH (3)

(Milk Price Support, Butterfat Price Support Suspension)

Paragraph (3) amends section 202 of the Agricultural Act of 1970 to—

(1) permanently suspend the requirement that butterfat, and the products of milk and butterfat, be supported at not less than 75 percent of parity;

(2) permanently add anticipated future needs to the price support criteria for milk; and

(3) increase the minimum price support level for milk for the remainder of the current marketing year to 80 percent of parity. Until suspended, for three years, by the 1970 Act, price support for butterfat and the products of milk and butterfat was mandatory under the Agricultural Act of 1949.

The permanent deletion of the provision to support butterfat, and the products of milk and butterfat, does not affect the requirement for supporting the price of milk. It simply continues the greater flexibility given the Secretary by section 202 of the 1970 Act in establishing the prices CCC shall pay for butter, nonfat dry milk, and cheese in order to support the price of milk. Mainly, it will permit a much lower price for butter than would be possible had the 1970 amendment not been extended. In fact, if the 1949 requirement for supporting butterfat at a minimum of 75 percent of parity had not been deleted by the 1970 amendment, CCC's purchase price for butter, bought to support butterfat, would be at least 20 cents a pound higher than it is during the current marketing year. Furthermore, if parity continues to increase in the future, an increasingly high price for butter would be

necessary in order to achieve the minimum 75 percent of parity butterfat support previously required by the Act of 1970.

The committee feels that continuing the authority for a relatively low butter price, as provided by section 202 of the 1970 Amendment, will further encourage butter consumption, reduce surplus production, and lower CCC purchases and costs.

This paragraph also amends Section 201(c) of the Act of 1949, as amended, to more specifically define the adequate supply objective of the dairy price support program. Prior to this amendment, the Act required that support be set at such level between 75 and 90 percent of parity as would assure an "adequate supply." This amendment requires that the support be set at a level, between 75 and 90 percent of parity, which will assure a supply of wholesome milk sufficient to satisfy both current and anticipated future requirements, including commercial market needs and high priority domestic welfare and school lunch program donations.

In determining the support level necessary to obtain such a supply of wholesome milk and its products, the committee feels that careful consideration should be given to the influence of unusual changes in the costs of producing milk, i. e., costs of feed, labor, capital investment, etc. These costs are reflected in the incomes of dairy farmers and it is felt that changes in the support price should be commensurate with changes in costs so that farmers will be assured a level of income sufficient to maintain the desired productive capacity.

This paragraph also increases the minimum support level, effective upon enactment of the bill, to 80 percent of parity. This level would result in a support price of \$5.61 per hundredweight for manufacturing milk.

On March 8, 1973 the Department of Agriculture announced that the support level for manufacturing milk effective March 12, and for the 1973-74 marketing year would be \$5.29 per hundredweight, estimated at that time to be 75 percent of parity as of April 1, 1973, the minimum required by law.

On April 15, 1973 the Department reported that the average price received by farmers for milk of manufacturing grade was \$5.49 per hundredweight.

PARAGRAPH (4)

(Transfer of Dairy Products to the Military and to Veterans Hospitals)

Paragraph (4) extends for five years, through 1978, the authority for donating dairy products acquired under the dairy price support program to the military agencies and the Veterans Administration. These agencies have been an important outlet for products acquired under the support program, especially during years of large milk production

and CCC purchases. Since 1954, when donations to these agencies were first authorized, CCC has donated to them approximately 442 million pounds of butter, 25 million pounds of cheese, and 1 million pounds of nonfat dry milk.

PARAGRAPH (5)
Dairy Indemnity Program

Paragraph (5) would—

- (1) extend the milk indemnity program for five years;
- (2) extend it to cover cows producing contaminated milk; and
- (3) extend it to unregistered chemicals used in accordance with applicable regulations or label instructions, if any.

This would make it possible to continue making indemnity payments to dairy farmers for milk, and to manufacturers for dairy products, removed from commercial markets because of chemical and pesticide contamination. Indemnification would be authorized where such contamination was due to chemicals registered and approved for use by the Federal Government at the time of their use as at present, and in the future even if they were not registered so long as they were not used contrary to applicable regulations and label instructions. The need for extension to additional chemicals became evident when silage was contaminated with a chemical used to coat the inside of silos. Cows eating the contaminated silage produced contaminated milk.

Extension of the program to cows producing contaminated milk is provided for by the bill because it is less costly to pay an indemnity for the cow than to continue to pay indemnities for the milk until it is free from contamination.

Since the indemnity program was first begun, through April 1973, payments to farmers have totaled \$1,409,214, and payments of \$110,166 have been made to manufacturers. Payments by years and by States, are summarized in the following tables.

SUMMARY OF DAIRY INDEMNITY PAYMENTS TO FARMERS AND MANUFACTURERS (JAN. 1, 1964 TO APR. 30, 1973)

Fiscal year	Dairy farmers	Manufacturers of dairy products
1965	1 \$349,933	
1966	150,611	
1967	279,533	
1968	194,727	
1969	104,416	
1970	188,705	
1971	71,474	\$15,500
1972	36,505	
1973	33,310	94,666
Total	1,409,214	110,166
Grand total	1,519,380	

¹ Includes claims for the period Jan. 1, 1964 through June 30, 1965 (18 months).

DAIRY INDEMNITY PAYMENTS, CLAIMS BY STATES AND FISCAL YEARS, 1965-66 TO DATE

State	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72	1972-73
Alabama			\$2,163		\$9,101		\$3,660	
Arizona	\$1,266		9,616	\$31,119				
Arkansas		2,469						
California	3,838	\$8,133	4,045	2,155	9,483			
Colorado			2,122		1,800	11,645		
Florida		4,403			29,802	779		
Georgia	9,360					2,088	\$14,006	
Idaho			2,247					
Illinois	224	282			17,318	3,716	559	
Iowa	20,795					13,985		\$5,824
Kansas	77,615					2,577	5,217	
Kentucky					21,421		1,565	
Louisiana					13,979			
Maryland	13,868							4,317
Massachusetts								
Mississippi	3,583	1,429			8,060			
Missouri	914						21,940	8,988
Montana			47,635	4,756	5,190	1,052		
Nebraska	4,505	2,373				1,293		
New York		7,822			4,793			
North Carolina								
Ohio					7,066	41,004	4,301	
Oklahoma						16,151		
Tennessee						3,250	7,455	
Texas		244,473	97,724				2,864	
West Virginia	3,576					14,106	8,068	
Wisconsin	11,067	15,021	22,303	23,920	9,956	215,500		108,847
Wyoming						16,114		
Total	150,611	279,533	194,727	104,416	188,705	86,974	36,505	127,979

¹ Through Apr. 30, 1973.² Payment to dairy manufacturer.³ Includes payment of \$94,666 to dairy manufacturer.

PARAGRAPH (6)

(Dairy Imports)

Paragraph (6) would amend section 22 of the Agricultural Adjustment Act (of 1933) to require the President to prohibit the quantity of dairy products for food use which may be imported in any calendar year from exceeding two percent of the total annual consumption of dairy products for food use in the preceding calendar year, except that he may increase the total quantity which may be imported if he determines such increase is required by overriding economic or national security interests of the United States. This requirement would override all other statutory authority with respect to the imposition of import controls on dairy products; however, action could continue to be taken under other authority, such as subsections (a) through (f) of section 22, to the extent it was not inconsistent with this requirement.

The President would be authorized, but not required, to provide for the importation of dairy products only through the use of licenses issued by the Secretary of Agriculture. In issuing licenses for the increased quantities authorized by the President to be imported, the Secretary of Agriculture would be required to give priority, for a limited time, to domestic producers and processors who utilize dairy products in their business.

Dairy products are defined to include (1) all forms of milk and dairy products, butterfat, milk solids-not-fat, and any combination or mixture thereof; (2) any articles, compound, or mixture containing five percent or more of butterfat, or milk solids-not-fat, or any combinations of the two; and (3) casein, caseinates, lactose, and other

derivatives of milk, butterfat, or milk solids-not-fat, if imported commercially for any food use. Dairy products would not include (1) industrial casein, industrial caseinates, or any other industrial product, not to be used in any form for any food use, or an ingredient of food; or (2) articles not normally considered to be dairy products, such as candy, bakery goods, and other similar articles provided that dairy products in any form, in any such article, are not commercially extractable or capable of being used commercially as a replacement or substitute for such ingredients in the manufacture of any food product.

GENERAL BACKGROUND INFORMATION RELATIVE TO PARAGRAPHS (2) THROUGH (6).

MILK SUPPLY AND UTILIZATION 1952, 1965-1972, AND PROJECTED FOR 1973

Year	Billion pounds milk equivalent						Ending stocks	Number of milk cows (thousands)	Milk per cow (pounds)	Price received by farmers for all milk wholesale	Gross cash receipts (millions)					
	Supply	Utilization			Exports ¹											
		Domestic		Food												
Production	Begin stocks	Imports	Total	Feed	Feed	Food										
1952	115.1	3.6	0.7	119.4	110.1	3.3	0.9	5.1	21,338	\$4.85	\$4,567					
1955	124.2	5.3	0.9	130.4	121.4	2.1	2.4	4.5	14,953	4.23	5,038					
1956	119.5	4.5	2.8	127.2	119.1	2.0	1.2	4.9	14,071	5.533	5,533					
1966	118.7	4.9	2.9	126.5	115.5	1.9	0.8	8.3	13,415	5.02	5,742					
1967	117.2	8.3	1.8	127.3	117.0	1.8	1.8	6.7	12,832	9.135	5,957					
1968	116.1	6.7	1.6	124.4	116.0	1.7	1.4	5.3	12,307	9.434	5,49					
1969	117.0	15.2	1.9	124.1	115.6	1.7	1.0	5.8	12,000	9.747	5.71					
1970	118.5	5.8	1.3	125.6	115.9	1.6	3.0	5.1	11,842	10.009	5.87					
1971	120.3	5.1	1.7	127.1	117.8	1.6	2.2	5.5	11,710	10.271	6.07					
1972	119.5	5.5	2.3	127.3	118.7	1.6	1.1	5.9	11,475	10,414	6.45					
April estimate for 1973																

¹ Excludes cream and bulk condensed stocks beginning 1970.¹ Includes shipments

~~assure either maintenance of practices or the refund of the Federal investment even if ownership of the land changes.~~

~~Section 1005 provides that the Secretary of Agriculture shall consult with the forester or other appropriate official of each State in carrying out the forestry incentives program. The Secretary is to coordinate the administration of the program with other related programs.~~

~~This section provides that Federal assistance is to be on such terms and conditions as the Secretary deems appropriate, and he may make funds available for providing technical assistance to and for providing encouragement to non-Federal public landowners, small non-industrial private forest landowners, non-profit groups, individuals and public bodies in initiating practices which further the purposes of this title. The use of private agencies, firms, and individuals furnishing services and materials needed in the application of practices included in the program is encouraged.~~

~~Section 1006 authorizes the annual appropriation of an amount not to exceed \$25,000,000, which funds remain available until expended.~~

COST ESTIMATES

In accordance with section 252 of the Legislative Reorganization Act of 1970, following are the Committee estimates of the costs which would be incurred in carrying out the provisions of the bill. No formal estimate of costs have been received from the Department of Agriculture.

There would be no additional costs in the current fiscal year.

Such costs as would be incurred in subsequent fiscal years for most programs included in the bill would depend upon a variety of factors, including market prices, production, allotment levels, inflation, and the level of demand for the commodities covered by the bill as well as budget considerations.

DAIRY PROGRAM Costs

1. MILK MARKETING ORDERS

The only costs to the government because of amendments to milk marketing orders would be costs of hearings, if any. Cost of hearings vary, according to the length and complexity, but a reasonable estimate would be about \$10,000 per hearing.

2. MILK PRICE SUPPORTS

Net expenditure by the Department of Agriculture on the dairy price support and related programs amounted to \$214.3 million in fiscal 1971; \$174.2 million in fiscal 1972; and \$194.4 million in fiscal 1973.

It is not expected that net expenditures during the next five years would vary significantly from these levels notwithstanding an increase in the support price to 80 percent of parity from the date of enactment of this bill to the end of this marketing year which is March 31, 1974.

8. DONATIONS TO VETERANS HOSPITALS AND MILITARY

Authority for the donation by Commodity Credit Corporation of dairy products to the Administrator of Veterans Affairs and to the military for their use is extended for five years. The cost of this program in fiscal 1972 amounted to about \$12.6 million. It is expected that future costs would not vary too significantly from this level under normal circumstances.

4. DAIRY INDEMNITY PROGRAM

Authority for dairy indemnity payments has been extended for the life of the bill and has been extended to include cows because it is less costly to pay an indemnity for the cow than to continue to pay indemnities for the milk until it is free from contamination.

Dairy indemnity claims during the last five years have ranged from a low of \$36,505 in 1971-72 to a high of \$188,705 in 1969-70. The total indemnities paid since 1965 amounts to only \$1,519,380.

Costs in the future should approximate these levels.

5. DAIRY IMPORT CONTROLS

There would be no additional cost as a result of this provision.

WOOL PROGRAM

Over the last five years payments under the Wool program have ranged from about \$50.7 million in 1969 to \$102.8 million in 1971 when wool prices were at abnormally low levels. With the improvement of prices received by farmers (91.3 cents per pound in April 1973) payments will be minimal, if any. Future costs will depend upon prices received. If current levels prevail, costs will be zero. Of the five-year average (1971 excluded) prevails, costs would approximate \$58.3 million.

COMMODITY PROGRAM COSTS

INDEX OF PRODUCTION ITEMS, INTEREST, TAXES, AND FARM WAGE RATES

One of the important indicators of changing economic conditions affecting American agriculture is the Index of Prices Paid by Farmers for Production Items, Including Interest, Taxes, and Farm Wage Rates. This index measures the average change in prices paid for those items commonly used in the production of crops and livestock and serves as one of the best available measures of changes in production costs.

Although this Index is computed separately and on a regular basis by the Statistical Reporting Service of the United States Department of Agriculture it is an integral part of the Parity Index which is used to compute the Parity Ratio.

The farm production index is divided into 9 group indexes—feed, feeder livestock, motor supplies, motor vehicles, farm machinery, farm supplies, building and fencing materials, fertilizer and seed, plus (1) interest charges per acre on mortgage indebtedness secured by farm real estate; (2) taxes payable per acre on farm real estate; and (3) wage rates paid to hired farm labor.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

AGRICULTURAL ACT OF 1970

That this Act may be cited as the "Agricultural Act of 1970".

TITLE I—PAYMENT LIMITATION

~~Changes made by paragraph (1) of bill (Payment Limitations).~~

SEC. 101. Notwithstanding any other provision of law—

(1) The total amount of payments which a person shall be entitled to receive under each of the annual programs established by titles IV, V, and VI of this Act for the [1971, 1972, or 1973 crop] 1971 through 1978 crops of the commodity shall not exceed \$55,000.

(2) The term "payments" as used in this section [includes price-support payments, set-aside payments, diversion payments, public access payments, and marketing certificates, but does not include loans or purchases] shall not include loans or purchases, or any part of any payment which is determined by the Secretary to represent compensation for resource adjustment or public access for recreation.

TITLE II—DAIRY

DAIRY BASE PLANS

~~Changes made by paragraph (2) of bill (Milk Marketing Orders).~~

SEC. 201. (a) The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended by striking in subparagraph (B) of subsection 8c(5) all that part of said subparagraph (B) which follows the comma at the end of clause (c) and inserting in lieu thereof the following: "(d) a further adjustment to encourage seasonal adjustments in the production of milk through equitable apportionment of the total value of the milk purchased by any handler, or by all handlers, among producers on the basis of their marketings of milk during a representative period of time, which need not be limited to one year; (e) a provision providing for

(94)

the accumulation and disbursement of a fund to encourage seasonal adjustments in the production of milk may be included in an order; and (f) a further adjustment, equitably to apportion the total value of milk purchased by all handlers among producers on the basis of their marketings of milk, which may be adjusted to reflect the utilization of producer milk by all handlers in any use classification or classifications, during a representative period of one to three years, which will be automatically updated each year. In the event a producer holding a base allocated under this clause (f) shall reduce his marketings, such reduction shall not adversely affect his history of production and marketing for the determination of future bases, or future updating of bases, except that an order may provide that, if a producer reduces his marketings below his base allocation in any one or more use classifications designated in the order, the amount of any such reduction shall be taken into account in determining future bases, or future updating of bases. Bases allocated to producers under this clause (f) may be transferable under an order on such terms and conditions, including those which will prevent bases taking on an unreasonable value, as are prescribed in the order by the Secretary of Agriculture. Provisions shall be made in the order for the allocation of bases under this clause (f) and, where specifically so provided, clause (d)—

“(i) for the alleviation of hardship and inequity among producers; and

“(ii) for providing bases for dairy farmers not delivering milk as producers under the order upon becoming producers under the order who did not produce milk during any part of the representative period and these new producers shall within ninety days after the first regular delivery of milk at the price for the lowest use classification specified in such order be allocated a base which the Secretary determines proper after considering supply and demand conditions, the development of orderly and efficient marketing conditions and to the respective interests of producers under the order, all other dairy farmers and the consuming public. Producer bases so allocated shall for a period of not more than three years be reduced by not more than 20 per centum; and

“(iii) dairy farmers not delivering milk as producers under the order upon becoming producers under the order by reason of a plant to which they are making deliveries becoming a pool plant under the order, by amendment or otherwise, shall be provided bases with respect to milk delivered under the order based on their past deliveries of milk on the same basis as other producers under the order; and

AGRICULTURAL ACT OF 1970—continued

"(iv) such order may include such additional provisions as the Secretary deems appropriate in regard to the reentry of producers who have previously discontinued their dairy farm enterprise or transferred bases authorized under this clause (f); and

"(v) notwithstanding any other provision of this Act, dairy farmers not delivering milk as producers under the order, upon becoming producers under the order, shall within ninety days be provided with respect to milk delivered under the order, allocations based on their past deliveries of milk during the representative period from the production facilities from which they are delivering milk under the order on the same basis as producers under the order on the effective date of order provisions authorized under this clause (f): *Provided*, That bases shall be allocated only to a producer marketing milk from the production facilities from which he marketed milk during the representative period, except that in no event shall such allocation of base exceed the amount of milk actually delivered under such order [.] and

"(vi) such order (under this clause (f) or clause (d)) may provide with respect to producers entitled to bases who are members of and marketing their milk through a qualified cooperative marketing association, that the bases of such producers shall be allocated to the cooperative marketing association while they are members thereof.

they are members thereof. In the event a producer withdraws from membership in a cooperative marketing association the base allocated to that producer shall take into consideration his total marketings of milk, including milk delivered by his association to persons not fully regulated by the order, but may reflect his pro rata share of any reduction in the total of bases allocated to such association; and

"(vii) such order may provide that a producer who has acquired a base under a cooperative marketing association's base plan or pursuant to a State or Federal regulatory program shall for the purpose of determining bases under the order be entitled to the history of marketing represented by the base held by him on the effective date of order provisions authorized under this clause (f) under such conditions as may be prescribed in the order; and such order may include such other provisions as the Secretary deems appropriate or as may be necessary to allow and provide for the orderly and equitable phasing out of existing cooperative marketing association base plans or base plans issued pursuant to State or Federal regulations.

"Notwithstanding any other provisions of this Act, the Secretary of Agriculture in apportioning the total value of milk purchased by all handlers among producers and cooperative associations on behalf of their producer members

or patrons may provide a price to be paid for milk in excess of base under clause (d) or (f) at such level as he deems appropriate without regard to prices established for each class of milk pursuant to paragraph (A) of this subsection. The assignment of other source milk to various use classes shall be made without regard to whether an order contains provisions authorized under this clause (f). In the case of any producer who during any accounting period delivers a portion of his milk to persons not fully regulated by the order, provision shall be made for reducing the allocation of, or payment to be received by, any such producer under this clause (f) to compensate for any marketings of milk to such other persons for such period or periods as necessary to insure equitable participation in marketings among all producers. Notwithstanding the provisions of section 8c(12) and the last sentence of section 8c(19) of this Act, order provisions under this clause (f) shall not be effective in any marketing order unless separately approved by producers in a referendum in which each individual producer shall have one vote and may be terminated separately whenever the Secretary makes a determination with respect to such provisions as is provided for the termination of an order in subparagraph 8c(16)(B). Disapproval or termination of such order provisions shall not be considered disapproval of the order or of other terms of the order."

(b) The legal status of producer handlers of milk under the provisions of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, shall be the same subsequent to the adoption of the amendments made by this Act as it was prior thereto.

(c) Nothing in subsection (a) of this section 201 shall be construed as invalidating any class I base plan provisions of any marketing order previously issued by the Secretary of Agriculture pursuant to authority contained in the Food and Agriculture Act of 1965 (79 Stat. 1187), but such provisions are expressly ratified, legalized, and confirmed and may be extended through and including December 31, 1971.

(d) It is not intended that existing law be in any way altered, rescinded, or amended with respect to section 8c(5)(G) of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, and such section 8c(5)(G) is fully reaffirmed.

(e) The provisions of this section shall not be effective after December 31, [1973] 1978 except with respect to orders providing for Class I base plans issued prior to such date, but in no event shall any order so issued extend or be effective beyond December 31, [1976] 1981.

AGRICULTURAL ACT OF 1970—continued

(f) *The Agricultural Adjustment Act as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended is further amended by:*

(1) *amending section 8c (5) (A) to read as follows;*

"(A) Classifying milk in accordance with the form in which or the purpose for which it is used, and fixing, or providing a method for fixing, minimum prices for each such use classification which all handlers shall pay, or without fixing or providing a method for fixing minimum prices in the case of an order limited to milk products or milk used for manufacturing but which may require announcement by handlers of prices to be paid producers and cooperative associations delivering to them, and fixing, or providing a method for fixing, minimum rates of payment to producers or associations of producers for services performed for a handler, including but not limited to (1) providing specific quantities of milk on designated days and providing milk of a specified grade, quality or composition and (2) performing special services, such as but not limited to, milk assembly, refrigeration, storage, laboratory work, quality supervision and accounting, and the time when payments shall be made, for milk purchased from producers or cooperative associations, and for services performed by producers or associations of producers. Such prices and rates shall be uniform as to all handlers, subject to adjustments for (1) volume, market, and production differentials customarily applied by the handlers subject to such order, (2) the grade or quality of the milk purchased, (3) the locations at which delivery of such milk, or any use classification thereof, is made to such handlers, and (4) services utilized by a handler as provided by the order. The location adjustments used in computing minimum prices paid by handlers under this paragraph (A) may differ from those used in computing prices paid to producers under paragraph (B) where appropriate to direct the flow of milk: Provided, That so called nearby differentials are not authorized by this provision."

(2) *amending section 8c(5)(E) by inserting before the period at the end thereof a comma and the following: "from producers or associations of producers, and (iii) for payment from the total use value of milk under paragraph (A), before computing uniform prices under paragraph (B) and reflecting adjustments in payments as among handlers under paragraph (C), to cooperative marketing associations, qualified as provided in paragraph (F) of this subsection for services of marketwide benefit, excluding (i) providing economic, education, and legal services for the benefit of all producers and (ii) furnishing other services of an intangible nature not hereinafter specifically included; and (a) providing facilities to handle and dispose of milk supplies in excess of quantities needed by handlers and to furnish additional supplies of milk needed by handlers; (b) handling of milk on specific days in excess of the quantities needed by*

handlers; (c) transporting milk from one location to another for the purpose of fulfilling requirements for a higher class utilization or providing a market outlet at any class of utilization; (d) performing special market services, such as, but not limited to, providing milk assembly, refrigeration, storage, laboratory work, quality supervision, and accounting".

(3) adding at the end of section 8c(5) the following:

"(J) Establishing or providing a method for establishing a reserve supply management program for an order or a group of orders designed to prevent unwarranted fluctuations in supplies and returns to producers by compensating cooperating dairy farmers or associations of dairy farmers who under the terms and conditions prescribed in the order make the reserve milk available in an efficient and orderly manner as needed. The program shall be financed by producers in a manner and at a rate specified in the order or orders on all milk purchased from producers or associations of producers, and deductions therefor may be made from funds due producers in computing the total pool value or otherwise computing total funds due producers. Such deductions shall be in addition to the adjustments authorized in paragraphs (B) and (I) of this subsection and shall not be deemed to be in conflict with section 8c(18) but shall be a factor to be considered in establishing prices pursuant to such section. Funds so deducted shall be transferred to an agency or authority made up of dairy farmers appointed by the Secretary in a manner prescribed in the order to administer provisions hereunder. Marketing agreements under section 8b providing for such programs may be made effective for marketing or production areas, whether such areas are or are not subject to marketing orders and regardless of whether such orders contain provisions under this paragraph. Voluntary agreements among cooperative marketing associations providing for such programs shall not be deemed precluded unless they conflict with the terms of a marketing order made effective under these provisions."

(4) striking the period at the end of subsection 8c(17) and adding in lieu thereof the following: "Provided further, That if one-third or more of the producers as defined in a milk order apply in writing for a hearing on a proposed amendment of such order, the Secretary shall call such a hearing. Subsection (12) of this section shall not be construed to permit any cooperative to act for its members in an application for a hearing under the foregoing proviso and nothing in such proviso shall be construed to preclude the Secretary from calling an amendment hearing as provided in subsection (3) of this section."

(5) inserting after the phrase "pure and wholesome milk" in section 8c(18) the phrase "to meet current needs and further to assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs."

AGRICULTURAL ACT OF 1970—continued

SUSPENSION OF BUTTERFAT SUPPORT PROGRAM

Changes made by paragraph (3) of the bill (Milk Price Support, Butterfat Price Support Suspension).

SEC. 202. [Effective only with respect to the period beginning April 1, 1971, and ending March 31, 1974—]

(a) The first sentence of section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446), is amended by striking the words "milk, butterfat, and the products of milk and butterfat" and inserting in lieu thereof the words "and milk".

(b) Paragraph (c) of section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446(c)), is amended to read as follows:

"(c) The price of milk shall be supported at such level not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply of pure and wholesome milk to meet current needs, reflect changes in the cost of production, and assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs. Notwithstanding the foregoing, effective for the period beginning with the date of enactment of the Agriculture and Consumer Protection Act of 1973 and ending on March 31, 1974, the price of milk shall be supported at not less than 80 per centum of the parity price therefor. Such price support shall be provided through purchases of milk and the products of milk."

TRANSFER OF DAIRY PRODUCTS TO THE MILITARY AND TO VETERANS HOSPITALS

Changes made by paragraph (4) of bill (Transfer of Dairy Products to the Military and to Veterans Hospitals).

SEC. 203. Section 202 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446a), is amended by changing "December 31, 1970" to read "December 31, [1973] 1978" both places it appears therein.

DAIRY INDEMNITY PROGRAM

Changes made by paragraph (5) of the bill (Dairy Indemnity Program).

SEC. 204. (a) Section 3 of the Act of August 13, 1968 (Public Law 90-484; 82 Stat. 750), is amended by striking out the word "June 30, 1970.", and inserting in lieu thereof the word "June 30, [1973] 1978".

(b) [The first sentence of section 1 of said Act is amended by inserting, "and manufacturers of dairy products who have been directed since the date of enactment of the Agricultural Act of 1970 to remove their dairy products," after "milk", and the second sentence is revised to read: "Any indemnity payment to any farmer shall continue until he has been reinstated and is again allowed to dispose of his milk on commercial markets.".] Section 1 of said Act is amended to read as follows:

"SECTION 1. The Secretary of Agriculture is authorized to make indemnity payments for milk or cows producing such milk at a fair market value, to dairy farmers who have been directed since January 1, 1964 (but only since the date of enactment of the Agriculture and Consumer Protection Act of 1973 in the case of indemnity payments not authorized prior to such date of enactment), to remove their milk, and to manufacturers of dairy products who have been directed since the date of enactment of the Agricultural Act of 1970 (but only since the date of enactment of the Agriculture and Consumer Protection Act of 1973 in the case of indemnity payments not authorized prior to such date of enactment) to remove their dairy products from commercial markets because of residues of chemicals registered and approved for use by the Federal Government at the time of such use, or because of residues of chemicals not included under the above provisions where such chemicals were not used contrary to applicable regulations or label instructions provided at the time of use. Any indemnity payment to any farmer shall continue until he has been reinstated and is again allowed to dispose of his milk on commercial markets."

"DAIRY IMPORTS

"SEC. 205. Section 22 of the Agricultural Adjustment Act (7 U.S.C. 624) is amended by adding at the end thereof the following:

*Changes made
by paragraph
(6) of bill
(Dairy Import
Limitations).*

"(g) Notwithstanding any other provision of law, the President shall prohibit imports of dairy products for food use in excess of 2 per centum of the total annual consumption for food use in the preceding calendar year, except that the President may increase the total quantity permitted to be imported if he determines and proclaims that such increase is required by overriding economic or national security interests of the United States. The President is authorized to provide that dairy products may be imported only by or for the account of a person or firm to whom a license has been issued by the Secretary of Agriculture. In issuing a license for any increase in the quantity permitted to be imported under this subsection during any period after the enactment of the Agriculture and Consumer Protection Act of 1973, the Secretary shall make licenses available to domestic producers and processors for a limited time before issuing licenses to others. For purposes of this subsection, dairy products include (1) all forms of milk and dairy products, butterfat, milk solids-not-fat, and any combination or mixture thereof; (2) any articles, compounds, or mixture containing 5 per centum or more of butterfat, or milk solids-not-fat, or any combinations of the two; and (3) casein, caseinates, lactose, and other derivatives of milk, butterfat, or milk solids-not-fat, if imported commercially for any food use. Dairy products do not include (1) industrial casein, industrial caseinates, or any other industrial

AGRICULTURAL ACT OF 1970—continued

product, not to be used in any form for any food use, or an ingredient of food; or (2) articles not normally considered to be dairy products, such as candy, bakery goods, and other similar articles provided that dairy products in any form, in any such article are not commercially extractable or capable of being used commercially as a replacement or substitute for such ingredients in the manufacture of any food product."

TITLE III—WOOL

*Changes made
by paragraph
(7) of bill
(Wool
Program).*

SEC. 301. The National Wool Act of 1954, as amended, is amended as follows:

(1) Designate the first two sentences of section 703 as subsection "(a)", and, in the second sentence, delete "1970" and substitute "[1973] 1978".

(2) In the third sentence of section 703, delete the portion beginning with "The support price for shorn wool shall be" and ending with "Provided further, That the" and substitute "The", designate the third sentence as subsection "(b)", change the period at the end thereof to a colon and add the following: "Provided, That for the [three] marketing years beginning January 1, 1971, and ending December 31, [1973] 1978, the support price for shorn wool shall be 72 cents per pound, grease basis."

(3) Designate the fourth and fifth sentences of section 703 as subsection "(c)", change the period at the end of the fifth sentence to a colon and add the following: "Provided, That for the [three] marketing years beginning January 1, 1971, and ending December 31, [1973] 1978, the support price for mohair shall be 80.2 cents per pound, grease basis."

(4) Designate the sixth sentence of section 703 as subsection "(d)".

(5) Designate the last sentence of section 703 as subsection "(e)".

(6) Strike out the first sentence of section 708 and insert the following: "The Secretary of Agriculture is authorized to enter into agreements with, or to approve agreements entered into between, marketing cooperatives, trade associations, or others engaged or whose members are engaged in the handling of wool, mohair, sheep, or goats or the products thereof for the purpose of developing and conducting on a National, State, or regional basis advertising and sales promotion programs and programs for the development and dissemination of information on product quality, production management, and marketing improvement, for wool, mohair, sheep, or goats or the products thereof. Advertising and sales promotion programs may be conducted outside of the United States for the purpose of maintaining and expanding foreign markets and uses for mohair or goats or the products thereof produced in the United States."

THE AGRICULTURAL ADJUSTMENT ACT (REENACTED BY THE AGRICULTURAL MARKETING AGREEMENT ACT OF 1937)

* * * *

SEC. 8c. * * *

TERMS—MILK AND ITS PRODUCTS

(5) In the case of milk and its products, orders issued pursuant to this section shall contain one or more of the following terms and conditions, and (except as provided in subsection (7)) no others:

(A) Classifying milk in accordance with the form in which or the purpose for which it is used, and fixing, or providing a method for fixing, minimum prices for each such use classification which all handlers shall pay, *or without fixing or providing a method for fixing minimum prices in the case of an order limited to milk products or milk used for manufacturing requiring announcement by handlers of prices to be paid producers and cooperative associations delivering to them, and fixing, or providing a method for fixing, minimum rates of payment to producers or associations of producers for services performed for a handler, including but not limited to (1) providing specific quantities of milk on designated days and providing milk of a specified grade, quality or composition and (2) performing special services, such as but not limited to, milk assembly, refrigeration, storage, laboratory work, quality supervision and accounting, and the time when payments shall be made for milk purchased from producers or associations of producers, and for services performed by producers or associations of producers. Such prices and rates shall be uniform as to all handlers, subject only to adjustments for (1) volume, market, and production differentials customarily applied by the handlers subject to such order, (2) the grade or quality of the milk purchased, [and] (3) the locations at which delivery of such milk, or any use classification thereof, is made to such handlers, and (4) services utilized by a handler as provided by the order. The location adjustments used in computing minimum prices paid by handlers under this paragraph (A) may differ from those used in computing prices paid to*

Changes made
by paragraph
(2) of bill
(Milk Market-
ing Orders).

(147)

AGRICULTURAL ADJUSTMENT ACT—continued

producers under paragraph (B) where appropriate to direct the flow of milk: Provided, That so called "nearby differentials" are not authorized by this provision.

(B) Providing:

(i) for the payment to all producers and associations of producers delivering milk to the same handler of uniform prices for all milk delivered by them: *Provided, That, except in the case of orders covering milk products only, such provision is approved or favored by at least three-fourths of the producers who, during a representative period determined by the Secretary of Agriculture, have been engaged in the production for market of milk covered in such order or by producers who, during such representative period, have produced at least three-fourths of the volume of such milk produced for market during such period; the approval required hereunder shall be separate and apart from any other approval or disapproval provided for by this section; or*

(ii) for the payment to all producers and associations of producers delivering milk to all handlers of uniform prices for all milk so delivered, irrespective of the uses made of such milk by the individual handler to whom it is delivered:

subject, in either case, only to adjustments for (a) volume, market, and production differentials customarily applied by the handlers subject to such order; (b) the grade or quality of the milk delivered; (c) the locations at which delivery of such milk is made; (d) a further adjustment to encourage seasonal adjustments in the production of milk through equitable apportionment of the total value of the milk purchased by any handler, or by all handlers, among producers on the basis of their marketings of milk during a representative period of time, which need not be limited to one year; (e) a provision providing for the accumulation and disbursement of a fund to encourage seasonal adjustments in the production of milk may be included in an order; and (f) a further adjustment, equitably to apportion the total value of milk purchased by all handlers among producers on the basis of their marketings of milk, which may be adjusted to reflect the utilization of producer milk by all handlers in any

use classification or classifications, during a representative period of one to three years, which will be automatically updated each year. In the event a producer holding a base allocated under this clause (f) shall reduce his marketings, such reduction shall not adversely affect his history of production and marketing for the determination of future bases, or future updating of bases, except that an order may provide that, if a producer reduces his marketings below his base allocation in any one or more use classifications designated in the order, the amount of any such reduction shall be taken into account in determining future bases, or future updating of bases. Bases allocated to producers under this clause (f) may be transferable under an order on such terms and conditions, including those which will prevent bases taking on an unreasonable value, as are prescribed in the order by the Secretary of Agriculture. Provisions shall be made in the order for the allocation of bases under this clause (f) and, where specifically so provided, clause (d)—

- (i) for the alleviation of hardship and inequity among producers; and
- (ii) for providing bases for dairy farmers not delivering milk as producers under the order upon becoming producers under the order who did not produce milk during any part of the representative period and these new producers shall within ninety days after the first regular delivery of milk at the price for the lowest use classification specified in such order be allocated a base which the Secretary determines proper after considering supply and demand conditions, the development of orderly and efficient marketing conditions and to the respective interests of producers under the order, all other dairy farmers and the consuming public. Producer bases so allocated shall for a period of not more than three years be reduced by not more than 20 per centum; and
- (iii) dairy farmers not delivering milk as producers under the order upon becoming producers under the order by reason of a plant to which they are making deliveries becoming a pool plant under the order, by amendment or otherwise, shall be provided bases with respect to milk delivered under the order based on their past deliveries of milk on the same basis as other producers under the order; and
- (iv) such order may include such additional provisions as the Secretary deems appropriate in regard to the reentry of producers who have previously discontinued their dairy farm enter-

AGRICULTURAL ADJUSTMENT ACT—continued

prise or transferred bases authorized under this clause (f); and

(v) notwithstanding any other provision of this Act, dairy farmers not delivering milk as producers under the order, upon becoming producers under the order, shall within ninety days be provided with respect to milk delivered under the order, allocations based on their past deliveries of milk during the representative period from the production facilities from which they are delivering milk under the order on the same basis as producers under the order on the effective date of order provisions authorized under this clause (f): *Provided*, That bases shall be allocated only to a producer marketing milk from the production facilities from which he marketed milk during the representative period, except that in no event shall such allocation of base exceed the amount of milk actually delivered under such order; and

(vi) such order (under this clause (f) or clause (d)) may provide with respect to producers entitled to bases who are members of and marketing their milk through a qualified cooperative marketing association, that the bases of such producers shall be allocated to the cooperative marketing association while they are members thereof. In the event a producer withdraws from membership in a cooperative marketing association the base allocated to that producer shall take into consideration his total marketings of milk, including milk delivered by his association to persons not fully regulated by the order, but may reflect his pro rata share of any reduction in the total of bases allocated to such association; and

(vii) such order may provide that a producer who has acquired a base under a cooperative marketing association's base plan or pursuant to a State or Federal regulatory program shall for the purpose of determining bases under the order be entitled to the history of marketing represented by the base held by him on the effective date of order provisions authorized under this clause (f) under such conditions as may be prescribed in the order; and such order may include such other provisions as the Secretary deems appropriate or as may be necessary to allow and provide for the orderly and equitable phasing out of existing cooperative marketing association base plans or base plans issued pursuant to State or Federal regulations.

Notwithstanding any other provisions of this Act, the Secretary of Agriculture in apportioning the total value of milk purchased by all handlers among producers and cooperative associations on behalf of their producer members or patrons may provide a price to be paid for milk in excess of base under clause (d) or (f) at such level as he deems appropriate without regard to prices established for each class of milk pursuant to paragraph (A) of this subsection.

The assignment of other source milk to various use classes shall be made without regard to whether an order contains provisions authorized under this clause (f). In the case of any producer who during any accounting period delivers a portion of his milk to persons not fully regulated by the order, provision shall be made for reducing the allocation of, or payment to be received by, any such producer under this clause (f) to compensate for any marketings of milk to such other persons for such period or periods as necessary to insure equitable participation in marketing among all producers. Notwithstanding the provisions of section 8c(12) and the last sentence of section 8c(19) of this Act, order provisions under the clause (f) shall not be effective in any marketing order unless separately approved by producers in a referendum in which each individual producer shall have one vote and may be terminated separately whenever the Secretary makes a determination with respect to such provisions as is provided for the termination of an order in subparagraph 8c(16) (B). Disapproval or termination of such order provisions shall not be considered disapproval of the order or of other terms of the order.

* * * * *

(E) Providing (i) except as to producers for whom such services are being rendered by a cooperative marketing association, qualified as provided in paragraph (F) of this subsection (5), for market information to producers and for the verification of weights, sampling, and testing of milk purchased from producers, and for making appropriate deductions therefor from payments to producers, and (ii) for assurance of, and security for, the payment by handlers for milk purchased, *from producers or associations of producers, and (iii) for payment from the total use value of milk under paragraph (A), before computing uniform prices under paragraph (B) and reflecting adjustments in payments as among handlers under paragraph (C), to cooperative marketing associations qualified as provided in paragraph (F) of this subsection for services of marketwide benefit, including but not limited to the following:*

AGRICULTURAL ADJUSTMENT ACT—continued

(a) providing facilities to handle and dispose of milk supplies in excess of quantities needed by handlers and to furnish additional supplies of milk needed by handlers;

(b) handling of milk on specific days in excess of the quantities needed by handlers;

(c) transporting milk from one location to another for the purpose of fulfilling requirements for a higher class utilization or providing a market outlet at any class of utilization; and

(d) performing special market services, such as, but not limited to, providing milk assembly, refrigeration, storage, laboratory work, quality supervision, and accounting;

but excluding (i) providing economic, education, and legal services for the benefit of all producers and (ii) furnishing other services of an intangible nature not hereinafter specifically included.

* * * *

(J) Establishing or providing a method for establishing a reserve supply management program for an order or a group of orders designed to prevent unwarranted fluctuations in supplies and returns to producers by compensating cooperating dairy farmers, associations of dairy farmers, and handlers who under the terms and conditions prescribed in the order make the reserve milk available in an efficient and orderly manner as needed. The program shall be financed by producers in a manner and at a rate specified in the order or orders on all milk purchased from producers or associations of producers, and deductions therefor may be made from funds due producers in computing the total pool value or otherwise computing total funds due producers. Such deductions shall be in addition to the adjustments authorized in paragraphs (B) and (I) of this subsection and shall not be deemed to be in conflict with section 8c(18) but shall be a factor to be considered in establishing prices pursuant to such section. Funds so deducted shall be transferred to an agency or authority made up of dairy farmers appointed by the Secretary in a manner prescribed in the order to administer provisions hereunder. Marketing agreements under section 8b providing for such programs may be made effective for marketing or production areas, whether such areas are or are not subject to marketing orders and regardless of whether such orders contain provisions under this paragraph. Voluntary agreements among cooperative marketing associations providing for such programs shall not be deemed precluded unless they conflict with the terms of a marketing order made effective under these provisions.

* * * *

PROVISIONS APPLICABLE TO AMENDMENTS

(17) The provisions of this section and section 8d, applicable to orders shall be applicable to amendments to orders: *Provided*, That notice of a hearing upon a proposed amendment to any order issued pursuant to section 8c, given not less than three days prior to the date fixed for such hearing, shall be deemed due notice thereof: *Provided further*, *That if one-third or more of the producers as defined in a milk order apply in writing for a hearing on a proposed amendment of such order, the Secretary shall call such a hearing*. Subsection (12) of this section shall not be construed to permit any cooperative to act for its members in an application for a hearing under the foregoing proviso and nothing in such proviso shall be construed to preclude the Secretary from calling an amendment hearing as provided in subsection (3) of this section.

MILK PRICES

(18) The Secretary of Agriculture, prior to prescribing any term in any marketing agreement or order, or amendment thereto, relating to milk or its products, if such term is to fix minimum prices to be paid to producers or associations of producers, or prior to modifying the price fixed in any such term, shall ascertain the parity prices of such commodities. The prices which it is declared to be the policy of Congress to establish in section 2 of this title shall, for the purposes of such agreement, order, or amendment, be adjusted to reflect the price of feeds, the available supplies of feeds, and other economic conditions which affect market supply and demand for milk or its products in the marketing area or, in the case of orders applying only to manufacturing milk, the production area to which the contemplated marketing agreement, order, or amendment relates. Whenever the Secretary finds, upon the basis of the evidence adduced at the hearing required by section 8b or 8c, as the case may be, that the parity prices of such commodities are not reasonable in view of the price of feeds, the available supplies of feeds, and other economic conditions which affect market supply and demand for milk and its products in the marketing area or, in the case of orders applying only to manufacturing milk, the production area to which the contemplated agreement, order or amendment relates, he shall fix such prices as he finds will reflect such factors, insure a sufficient quantity of pure and wholesome milk to meet current needs and further to assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs, and be in the public interest. Thereafter, as the Secretary finds necessary on account of changed circumstances, he shall, after due notice and opportunity for hearing, make adjustments in such prices.

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AGRICULTURAL ADJUSTMENT ACT--continued

Changes made
by paragraph
(6) of bill
(Dairy Import
Limitation).

SEC. 22. (a) Whenever the Secretary of Agriculture has reason to believe that any article or articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, any program or operation undertaken under this title or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, or any loan, purchase, or other program or operation undertaken by the Department of Agriculture, or any agency operating under its direction, with respect to any agricultural commodity or product thereof, or to reduce substantially the amount of any product processed in the United States from any agricultural commodity or product thereof with respect to which any such program or operation is being undertaken, he shall so advise the President, and, if the President agrees that there is reason for such belief, the President shall cause an immediate investigation to be made by the United States Tariff Commission, which shall give precedence to investigations under this section to determine such facts. Such investigation shall be made after due notice and opportunity for hearing to interested parties, and shall be conducted subject to such regulations as the President shall specify.

(b) If, on the basis of such investigation and report to him of findings and recommendations made in connection therewith, the President finds the existence of such facts, he shall by proclamation impose such fees not in excess of 50 per centum *ad valorem* or such quantitative limitations on any article or articles which may be entered, or withdrawn from warehouse, for consumption as he finds and declares shown by such investigation to be necessary in order that the entry of such article or articles will not render or tend to render ineffective, or materially interfere with, any program or operation referred to in subsection (a) of this section, or reduce substantially the amount of any product processed in the United States from any such agricultural commodity or product thereof with respect to which any such program or operation is being undertaken: *Provided*, That no proclamation under this section shall impose any limitation on the total quantity of any article or articles which may be entered, or withdrawn from warehouse, for consumption which reduces such permissible total quantity to proportionately less than 50 per centum of the total quantity of such article or articles which was entered, or withdrawn from warehouse, for consumption during a representative period as determined by the President: *And provided further*, That in designating any article or articles, the

President may describe them by physical qualities, value, use, or upon such other bases as he shall determine.

In any case where the Secretary of Agriculture determines and reports to the President with regard to any article or articles that a condition exists requiring emergency treatment, the President may take immediate action under this section without awaiting the recommendations of the Tariff Commission, such action to continue in effect pending the report and recommendations of the Tariff Commission and action thereon by the President.

(c) The fees and limitations imposed by the President by proclamation under this section and any revocation, suspension, or modification thereof, shall become effective on such date as shall be therein specified, and such fees shall be treated for administrative purposes and for the purposes of section 32 of Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, as duties imposed by the Tariff Act of 1930, but such fees shall not be considered as duties for the purpose of granting any preferential concession under any international obligation of the United States.

(d) After investigation, report, finding, and declaration in the manner provided in the case of a proclamation issued pursuant to subsection (b) of this section, any proclamation or provision of such proclamation may be suspended or terminated by the President whenever he finds and proclaims that the circumstances requiring the proclamation or provision thereof no longer exist or may be modified by the President whenever he finds and proclaims that changed circumstances require such modification to carry out the purposes of this section.

(e) Any decision of the President as to facts under this section shall be final.

(f) No trade agreement or other international agreement heretofore or hereafter entered into by the United States shall be applied in a manner inconsistent with the requirements of this section.

(g) *Notwithstanding any other provision of law, the President shall prohibit imports of dairy products for food use in excess of 2 per centum of the total annual consumption of dairy products for food use in the preceding calendar year, except that the President may increase the total quantity permitted to be imported if he determines and proclaims that such increase is required by overriding economic or national security interests of the United States. The President is authorized to provide that dairy products may be imported only by or for the account of a person or firm to whom a license has been issued by the Secretary of Agriculture. In issuing a license for any increase in the quantity permitted to be imported under this section during any period after the enactment of the Agriculture and Consumer Protection Act of 1973, the Secretary shall make licenses available to domestic producers and processors for a limited*

AGRICULTURAL ADJUSTMENT ACT—continued

time before issuing licenses to others. For purposes of this subsection, dairy products include (1) all forms of milk and dairy products, butterfat, milk solids-not-fat, and any combination or mixture thereof; (2) any article, compound, or mixture containing 5 per centum or more of butterfat, or milk solids-not-fat, or any combinations of the two; and (3) casein, caseinates, lactose, and other derivatives of milk, butterfat, or milk solids-not-fat, if imported commercially for any food use. Dairy products do not include (1) industrial casein, industrial caseinates, or any other industrial product, not to be used in any form for any food use, or an ingredient of food; or (2) articles not normally considered to be dairy products, such as candy, bakery goods, and other similar articles provided that dairy products in any form, in any such article are not commercially extractable or capable of being used commercially as a replacement or substitute for such ingredients in the manufacture of any food product.

AGRICULTURAL ACT OF 1949—continued

Changes made
by paragraph
(3) of bill
(Milk Price
Support,
Butterfat Price
Support
Suspension).

(Note: The Agricultural Act of 1970 amended the following section to eliminate mandatory support for butterfat through the period ending March 31, 1974. The bill would make this suspension permanent and, in addition, make the changes shown below.)

SEC. 201. The Secretary is authorized and directed to make available (without regard to the provisions of title III) price support to producers for tung nuts, honey, and milk as follows:

* * * * *

(c) The price of milk shall be supported at such level not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply of *pure and wholesome milk to meet current needs, reflect changes in the cost of production, and assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs. Notwithstanding the foregoing, effective for the period beginning with the date of enactment of the Agriculture and Consumer Protection Act of 1973 and ending on March 31, 1974, the price of milk shall be supported at not less than 80 per centum of the parity price therefor.* Such price support shall be provided through purchases of milk and the products of milk.

TRANSFER OF DAIRY PRODUCTS TO THE MILITARY AND
VETERANS HOSPITALS

Changes made
by paragraph
(4) of bill.

SEC. 202. As a means of increasing the utilization of dairy products (including for purposes of this section, milk) upon the certification by the Administrator of Veterans' Affairs or by the Secretary of the Army, acting for the military departments under the Department of Defense's Service Purchase Assignment for Subsistence, or their duly authorized representatives that the usual quantities of dairy products have been purchased in the normal channels of trade—

(a) The Commodity Credit Corporation until December 31, **[1973]** 1978, shall make available to the Administrator of Veterans' Affairs at warehouses where dairy products are stored, such dairy products acquired under price-support programs as the Administrator certifies that he requires in order to provide butter and cheese and other dairy products as a part of the ration in hospitals under his jurisdiction. The Administrator shall report every six months to the Committees on Agriculture of the Senate and House of Representatives and the Secretary of Agriculture the amount of dairy products used under this subsection.

(b) The Commodity Credit Corporation until December 31, **[1973]** 1978, shall make available to the Secretary of the Army, at warehouses where dairy products are stored, such dairy products acquired under price-support

programs as the Secretary of the Army or his duly authorized representative certifies can be utilized in order to provide additional butter and cheese and other dairy products as a part of the ration (1) of the Army, Navy, Air Force, or Coast Guard, (2) in hospitals under the jurisdiction of the Department of Defense, and (3) of cadets and midshipmen at, and other personnel assigned to, the United States Merchant Marine Academy. The Secretary of the Army shall report every six months to the Committees on Agriculture of the Senate and the House of Representatives and the Secretary of Agriculture the amount of dairy products used under this subsection.

(c) Dairy products made available under this section shall be made available without charge except that the Secretary of the Army or the Administrator of Veterans' Affairs shall pay the Commodity Credit Corporation the costs of packaging incurred in making such products so available.

* * * * *

RESTRICTIONS ON SALES BY CCC

SEC. 407. The Commodity Credit Corporation may sell any farm commodity owned or controlled by it at any price not prohibited by this section. In determining sales policies for basic agricultural commodities or storable nonbasic commodities, the Corporation should give consideration to the establishing of such policies with respect to prices, terms, and conditions as it determines will not discourage or deter manufacturers, processors, and dealers from acquiring and carrying normal inventories of the commodity of the current crop. The Corporation shall not sell any basic agricultural commodity or storable nonbasic commodity at less than 5 per centum above the current support price for such commodity, plus reasonable carrying charges: *Provided*, That effective with the beginning of the marketing year for the 1961 crop, the Corporation shall not sell any upland or extra long staple cotton for unrestricted use at less than 15 per centum above the current support price for cotton plus reasonable carrying charges, except that the Corporation may, in an orderly manner and so as not to affect market prices unduly, sell for unrestricted use at the market price at the time of sale a number of bales of cotton equal to the number of bales by which the national marketing quota for such marketing year is reduced below the estimated domestic consumption and exports for such marketing year pursuant to the provisions of section 342 of the Agricultural Adjustment Act of 1938, as amended: *Provided further*, That beginning August 1, 1964, the Commodity Credit Corporation may sell upland cotton for unrestricted use at not less than 105 per centum of the current loan rate for such cotton under section 103(a) plus reasonable carrying charges: *Provided*, That the Corporation shall not sell

Changes made
by paragraph
(21) of bill
(CCC Sales
Price
Restrictions).

ACT OF AUGUST 13, 1968 (82 STAT. 750)

AN ACT

To provide indemnity payments to dairy farmers

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That the] Section 1. The Secretary of Agriculture is authorized to make indemnity payments [.] for milk or cows producing such milk at a fair market value, to dairy farmers who have been directed since January 1, 1964, (but only since the date of enactment of the Agriculture and Consumer Protection Act of 1973 in the case of indemnity payments not authorized prior to such date of enactment) to remove their milk, and to manufacturers of dairy products who have been directed since the date of enactment of the Agricultural Act of 1970 (but only since the date of enactment of the Agriculture and Consumer Protection Act of 1973 in the case of indemnity payments not authorized prior to such date of enactment) to remove their dairy products from commercial markets because [it contained] of residues of chemicals registered and approved for use by the Federal Government at the time of such use, or because of residues of chemicals not included under the above provisions where such chemicals were not used contrary to applicable regulations or label instructions provided at the time of use. Any indemnity payment to any farmer shall continue until he has been reinstated and is again allowed to dispose of his milk on commercial markets.

Changes made
by paragraph
(5) (Dairy
Indemnity
Program).

SEC. 2. There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

SEC. 3. The authority granted under this Act shall expire on June 30, [1973] 1978.

(173)

95-244-73-12

Calendar No. 165

93D CONGRESS
1ST SESSION

S. 1888

[Report No. 93-173]

IN THE SENATE OF THE UNITED STATES

MAY 23, 1973

Mr. TALMADGE, from the Committee on Agriculture and Forestry, reported the following bill; which was read twice and placed on the calendar

A BILL

To extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Agricultural Act of 1970 is amended as follows:

Payment Limitation

5 (1) Section 101 (1) is amended by—
6 (A) striking out “1971, 1972, or 1973 crop” and
7 inserting “1971 through 1978 crops”, and
8 (B) amending subsection (2) effective beginning
9 with the 1974 crop, to read as follows:
10 “(2) The term ‘payments’ as used in this section shall

1 not include loans or purchases, or any part of any payment
2 which is determined by the Secretary to represent compensa-
3 tion for resource adjustment or public access for recreation."

4 Milk Marketing Orders

5 (2) Section 201 is amended by—

6 (A) inserting after "this clause (f)" where it last
7 appears before paragraph (i), the following: "and,
8 where specifically so provided, clause (d)";

9 (B) striking the period after the word "order" at
10 the end of subclause (v) of clause (f) in paragraph (a)
11 and inserting in lieu thereof, a semicolon, the word,
12 "and", and the following:

13 "(vi) such order (under this clause (f) or clause
14 (d)) may provide with respect to producers entitled to
15 bases who are members of and marketing their milk
16 through a qualified cooperative marketing association,
17 that the bases of such producers shall be allocated to the
18 cooperative marketing association while they are mem-
19 bers thereof. In the event a producer withdraws from
20 membership in a cooperative marketing association the
21 base allocated to that producer shall take into considera-
22 tion his total marketings of milk, including milk
23 delivered by his association to persons not fully regulated
24 by the order, but may reflect his pro rata share of any

1 reduction in the total of bases allocated to such associa-
2 tion; and

3 " (vii) such order may provide that a producer who
4 has acquired a base under a cooperative marketing asso-
5 ciation's base plan or pursuant to a State or Federal
6 regulatory program shall for the purpose of determining
7 bases under the order be entitled to the history of market-
8 ing represented by the base held by him on the effective
9 date of order provisions authorized under this clause (f)
10 under such conditions as may be prescribed in the order;
11 and such order may include such other provisions as the
12 Secretary deems appropriate or as may be necessary to
13 allow and provide for the orderly and equitable phasing
14 out of existing cooperative marketing association base
15 plans or base plans issued pursuant to State or Federal
16 regulations.

17 "Notwithstanding any other provisions of this Act, the
18 Secretary of Agriculture in apportioning the total value of
19 milk purchased by all handlers among producers and coop-
20 erative associations on behalf of their producer members or
21 patrons may provide a price to be paid for milk in excess
22 of base under clause (d) or (f) at such level as he deems
23 appropriate without regard to prices established for each class
24 of milk pursuant to paragraph (A) of this subsection."

1 (C) amending section 201 (e) by striking out
2 “1973” and inserting “1978”, and by striking out
3 “1976” and inserting “1981”.

4 (D) adding the following at the end thereof:

5 “(f) The Agricultural Adjustment Act as reenacted and
6 amended by the Agricultural Marketing Agreement Act of
7 1937, as amended is further amended by:

8 “(1) amending section 8c(5) (A) to read as
9 follows:

10 “(A) Classifying milk in accordance with the form in
11 which or the purpose for which it is used, and fixing, or pro-
12 viding a method for fixing, minimum prices for each such use
13 classification which all handlers shall pay, or without fixing
14 or providing a method for fixing minimum prices in the case
15 of an order limited to milk products or milk used for manu-
16 facturing requiring announcement by handlers of prices to be
17 paid producers and cooperative associations delivering to
18 them, and fixing, or providing a method for fixing, mini-
19 mum rates of payment to producers or associations of pro-
20 ducers for services performed for a handler, including but
21 not limited to (1) providing specific quantities of milk on
22 designated days and providing milk of a specified grade,
23 quality or composition and (2) performing special services,
24 such as but not limited to, milk assembly, refrigeration, stor-
25 age, laboratory work, quality supervision and accounting,

1 and the time when payments shall be made for milk pur-
2 chased from producers or associations of producers, and for
3 services performed by producers or associations of producers.
4 Such prices and rates shall be uniform as to all handlers, sub-
5 ject only to adjustments for (1) volume, market, and produc-
6 tion differentials customarily applied by the handlers subject
7 to such order, (2) the grade or quality of the milk purchased,
8 (3) the locations at which delivery of such milk, or any use
9 classification thereof, is made to such handlers, and (4) serv-
10 ices utilized by a handler as provided by the order. The lo-
11 cation adjustments used in computing minimum prices paid
12 by handlers under this paragraph (A) may differ from those
13 used in computing prices paid to producers under paragraph
14 (B) where appropriate to direct the flow of milk: *Provided*,
15 That so called "nearby differentials" are not authorized by
16 this provision.'

17 " (2) amending section 8c (5) (E) by inserting be-
18 fore the period at the end thereof a comma and the
19 following: 'from producers or associations of pro-
20 ducers, and (iii) for payment from the total use value
21 of milk under paragraph (A), before computing uni-
22 form prices under paragraph (B) and reflecting adjust-
23 ments in payments as among handlers under paragraph
24 (C), to cooperative marketing associations qualified as
25 provided in paragraph (F) of this subsection for services

1 of marketwide benefit, including, but not limited to, the
2 following:

3 “‘(a) providing facilities to handle and dispose
4 of milk supplies in excess of quantities needed by
5 handlers and to furnish additional supplies of milk
6 needed by handlers;

7 “‘(b) handling of milk on specific days in ex-
8 cess of the quantities needed by handlers;

9 “‘(c) transporting milk from one location to an-
10 other for the purpose of fulfilling requirements for a
11 higher class utilization or providing a market outlet
12 at any class of utilization; and

13 “‘(d) performing special market services, such
14 as, but not limited to, providing milk assembly,
15 refrigeration, storage, laboratory work, quality
16 supervision, and accounting;

17 but excluding (i) providing economic, education, and
18 legal services for the benefit of all producers and (ii)
19 furnishing other services of an intangible nature not here-
20 inafter specifically included’;

21 “(3) adding at the end of section 8c(5) the
22 following:

23 “‘(J) Establishing or providing a method for establish-
24 ing a reserve supply management program for an order
25 or a group of orders designed to prevent unwarranted

1 fluctuations in supplies and returns to producers by com-
2 pensating cooperating dairy farmers, associations of dairy
3 farmers, and handlers who under the terms and conditions
4 prescribed in the order make the reserve milk available in
5 an efficient and orderly manner as needed. The program
6 shall be financed by producers in a manner and at a rate
7 specified in the order or orders on all milk purchased
8 from producers or associations of producers, and deduc-
9 tions therefor may be made from funds due producers in
10 computing the total pool value or otherwise computing
11 total funds due producers. Such deductions shall be in ad-
12 dition to the adjustments authorized in paragraphs (B) and
13 (I) of this subsection and shall not be deemed to be in
14 conflict with section 8c(18) but shall be a factor to be
15 considered in establishing prices pursuant to such section.
16 Funds so deducted shall be transferred to an agency or
17 authority made up of dairy farmers appointed by the Sec-
18 retary in a manner prescribed in the order to administer
19 provisions hercunder. Marketing agreements under section
20 8b providing for such programs may be made effective
21 for marketing or production areas, whether such areas are
22 or are not subject to marketing orders and regardless of
23 whether such orders contain provisions under this para-
24 graph. Voluntary agreements among cooperative market-
25 ing associations providing for such programs shall not be

1 deemed precluded unless they conflict with the terms of
2 a marketing order made effective under these provisions.'

3 “(4) striking the period at the end of subsection
4 8c(17) and adding in lieu thereof the following: ‘: *Pro-*
5 *vided further*, That if one-third or more of the produc-

6 ers as defined in a milk order apply in writing for a
7 hearing on a proposed amendment of such order, the
8 Secretary shall call such a hearing. Subsection (12)
9 of this section shall not be construed to permit any
10 cooperative to act for its members in an application
11 for a hearing under the foregoing proviso and nothing
12 in such proviso shall be construed to preclude the Sec-
13 retary from calling an amendment hearing as provided
14 in subsection (3) of this section.’

15 “(5) inserting after the phrase ‘pure and whole-
16 some milk’ in section 8c(18) the phrase ‘to meet current
17 needs and further to assure a level of farm income ade-
18 quate to maintain productive capacity sufficient to meet
19 anticipated future needs.’”

20 Milk Price Support, Butterfat Price Support Suspension

21 (3) Section 202 is amended by—

22 (A) striking the introductory clause which pre-
23 cedes subsection (a) ;

24 (B) effective April 1, 1974, inserting in subsection
25 (b) before the period at the end of the first sentence

1 in the quotation the following: "of pure and wholesome
2 milk to meet current needs, reflect changes in the cost
3 of production, and assure a level of farm income ade-
4 quate to maintain productive capacity sufficient to meet
5 anticipated future needs"; and

6 (C) inserting in subsection (b) after the first
7 sentence in the quotation the following: "Notwithstand-
8 ing the foregoing, effective for the period beginning
9 with the date of enactment of the Agriculture and Con-
10 sumer Protection Act of 1973 and ending on March 31,
11 1974, the price of milk shall be supported at not less
12 than 80 per centum of the parity price therefor."

13 Transfer of Dairy Products to the Military and to
14 Veterans Hospitals

15 (4) Section 203 is amended by striking out "1973"
16 and inserting "1978".

17 Dairy Indemnity Program

18 (5) Section 204 is amended by—

19 (A) striking out "1973" and inserting "1978"; and
20 (B) striking subsection (b) and substituting there-
21 for the following:

22 “(b) Section 1 of said Act is amended to read as follows:

23 “SECTION 1. The Secretary of Agriculture is authorized

24 to make indemnity payments for milk or cows producing such

25 milk at a fair market value, to dairy farmers who have been

1 directed since January 1, 1964 (but only since the date of
2 enactment of the Agriculture and Consumer Protection Act
3 of 1973 in the case of indemnity payments not authorized
4 prior to such date of enactment), to remove their milk, and to
5 manufacturers of dairy products who have been directed since
6 the date of enactment of the Agricultural Act of 1970 (but
7 only since the date of enactment of the Agriculture and Con-
8 sumer Protection Act of 1973 in the case of indemnity pay-
9 ments not authorized prior to such date of enactment) to
10 remove their dairy products from commercial markets be-
11 cause of residues of chemicals registered and approved for use
12 by the Federal Government at the time of such use, or be-
13 cause of residues of chemicals not included under the above
14 provisions where such chemicals were not used contrary to
15 applicable regulations or label instructions provided at the
16 time of use. Any indemnity payment to any farmer shall
17 continue until he has been reinstated and is again allowed
18 to dispose of his milk on commercial markets.' ”

Dairy Import Limitation

20 (6) Title II is amended by adding at the end thereof
21 the following:

“DAIRY IMPORTS

23 "SEC. 205. Section 22 of the Agricultural Adjustment
24 Act (7 U.S.C. 624) is amended by adding at the
25 end thereof the following:

1 "(g) Notwithstanding any other provision of law, the
2 President shall prohibit imports of dairy products for food
3 use in excess of 2 per centum of the total annual consump-
4 tion of dairy products for food use in the preceding calendar
5 year, except that the President may increase the total
6 quantity permitted to be imported if he determines and pro-
7 claims that such increase is required by overriding economic
8 or national security interests of the United States. The Presi-
9 dent is authorized to provide that dairy products may be
10 imported only by or for the account of a person or firm to
11 whom a license has been issued by the Secretary of Agri-
12 culture. In issuing a license for any increase in the quantity
13 permitted to be imported under this section during any
14 period after the enactment of the Agriculture and Consumer
15 Protection Act of 1973, the Secretary shall make licenses
16 available to domestic producers and processors for a limited
17 time before issuing licenses to others. For purposes of this
18 subsection, dairy products include (1) all forms of milk and
19 dairy products, butterfat, milk solids-not-fat, and any com-
20 bination or mixture thereof; (2) any article, compound, or
21 mixture containing 5 per centum or more of butterfat, or milk
22 solids-not-fat, or any combinations of the two; and (3)
23 casein, caseinates, lactose, and other derivatives of milk, but-
24 terfat, or milk solids-not-fat, if imported commercially for
25 any food use. Dairy products do not include (1) industrial

1 casein, industrial caseinates, or any other industrial product,
2 not to be used in any form for any food use, or an ingredient
3 of food; or (2) articles not normally considered to be dairy
4 products, such as candy, bakery goods, and other similar
5 articles provided that dairy products in any form, in any
6 such article are not commercially extractable or capable of
7 being used commercially as a replacement or substitute for
8 such ingredients in the manufacture of any food product."

Wool Program

10 (7) Section 301 is amended by—
11 (A) striking out “1973” each place it occurs and
12 inserting “1978”, and by striking out the word “three”
13 each place it occurs; and
14 (B) adding at the end thereof the following:
15 “(6) Strike out the first sentence of section 708 and
16 insert the following: ‘The Secretary of Agriculture is au-
17 thorized to enter into agreements with, or to approve agree-
18 ments entered into between, marketing cooperatives, trade
19 associations, or others engaged or whose members are engaged
20 in the handling of wool, mohair, sheep, or goats or the prod-
21 ucts thereof for the purpose of developing and conducting
22 on a national, State, or regional basis advertising and sales
23 promotion programs and programs for the development and
24 dissemination of information on product quality, production
25 management, and marketing improvement, for wool, mohair,

1 Funds made available under this title may be utilized for
2 providing technical assistance to and encouraging non-
3 Federal public landowners, the owners of small nonindustrial
4 private forest lands, nonprofit groups, individuals, and public
5 bodies in initiating practices which further the purposes of
6 this title. The Secretary shall coordinate the administration
7 of this title with other related programs and shall carry out
8 this title in such a manner as to encourage the utilization of
9 private agencies, firms, and individuals furnishing services
10 and materials needed in the application of practices included
11 in the forestry incentives program.

12 "SEC. 1006. There are authorized to be appropriated
13 annually an amount not to exceed \$25,000,000 to carry out
14 the provisions of this title. Such funds shall remain available
15 until expended."

16 SEC. 2. This Act may be cited as the "Agriculture and
17 Consumer Protection Act of 1973".

SENATE BEGAN DEBATE

ON

S. 1888

June 5, 1973

amount, all remaining claims, including but not limited to claims for changed conditions, breaches of contract, and anticipated profits.

CONCLUSIONS

1. The plaintiff, Adler Construction Company, a partnership composed of Harold C. Adler and Vera L. Adler, does not have any legal claim against the United States.

2. Under the standards set out in *Burkhardt v. United States*, 113 Ct. Cl. 658, 84 F. Supp. 553 (1949), the plaintiff does have a valid equitable claim against the United States.

3. The amount of \$300,000 is equitably due from the United States to the claimant.

CERTIFIED, a true and correct copy, Oct. 25, 1972, at Washington, D.C.

SAUL R. GAMER,
Chief Commissioner,
U.S. Court of Claims

AMENDMENT OF THE AGRICULTURAL ACT OF 1970

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 1888, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 1888) to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the following staff members of the Committee on Agriculture and Forestry be permitted to be present on the floor during the consideration of S. 1888 and the votes thereon: Harker T. Stanton, chief counsel; Michael R. McLeod, counsel; Henry J. Casso; Forest W. Reece; James W. Giltmier; James E. Thornton; William A. Taggart; Cotys M. Mouser; and James M. Kendall.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. TALMADGE. I yield to the assistant majority leader.

Mr. ROBERT C. BYRD. Mr. President, at the request of the distinguished Senator from New York, I make the same request for Kelly Costley.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Georgia is recognized.

Mr. CURTIS. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. TALMADGE. Mr. President, it is with no small measure of pride that I rise today to present to the Senate an extension of general farm legislation which the Committee on Agriculture and Forestry has called the Agriculture and Consumer Protection Act of 1973.

Never in all of my years in the Senate have I seen a group of Senators work in such an atmosphere of cooperation and bipartisanship in attempting to develop a bill that would be fair and equitable to both farmers and consumers.

As a result of these efforts, the bill before us today is one which was sent out of committee unanimously.

Very early this year, I expressed two desires to the committee:

First, that in attempting to draft new legislation, we try insofar as possible to get comments from all segments of the population concerned with this legislation—most particularly those of the dirt farmers who will have to live with what we do here for years to come.

Second, I indicated that it was essential that we get an early start on this legislation because consumers need to be assured of adequate food supplies at reasonable prices and farmers need to know well in advance what kind of program their livelihood will be based on. In particular, winter wheat growers must know what the rules are by August of this year. Accordingly, the committee agreed that we would do our part to attempt to have a bill on the President's desk by July 1.

In regard to the first of these desires, the country responded admirably. In hearings held in Washington and out in rural areas, we heard from nearly 300 witnesses. They sent us a message, and we are responding positively to that message here today.

We are operating this year in a totally different arena than the one which existed prior to the adoption of the 1970 act.

In 1970 we had substantial surpluses of basic farm commodities. Now our reserves are at low levels.

At that time it appeared that our agricultural markets were shrinking. Now the Secretary of Agriculture talks about a "promised land for American agriculture."

At that time, farm prices and food prices were low. Now they are higher. Perhaps this one issue overshadows all of the others insofar as discussion of farm legislation is concerned. Consumers see the need for greater supplies and consumers and farmers are united in their desire to see that those supplies are produced. At no time in recent history has there been such unanimity of support for farm legislation.

What we are discussing here today is food for our Nation. Without abundant supplies of food none of the great achievements of this country could have been accomplished.

Conversely, without adequate income—without a fair return on their substantial individual investments—without some guarantee against a price break if they succeed in producing a bumper crop, we cannot expect our farmers to continue to perform in the exceptional way that they have in past years, and to meet the new demands that are being placed upon them.

It is as simple as that.

Many farmers have been uncomfortable with farm programs. Because farmers are independent men who are unhappy when irresponsible people describe government payments made to assure adequate production and orderly marketing as government "handouts."

Others not involved in farming do not understand why the government should try to regulate production or why the taxpayer should bear the cost of a pro-

gram to assure consumers of an abundant supply of food at fair and reasonable prices.

It is important to note that most of the commodities produced by our farmers do not come under these programs. Their prices—for everything from turnips and onions to oranges and beef cattle—are governed by the demands of the market place. Sometimes supplies are short and prices are high. Sometimes supplies are up and prices are down. Within limits consumers can shift from one commodity to another in response to price changes.

However, we have learned through bitter experience that for basic commodities such as wheat, feed grains, and cotton, unless output is tailored to meet our needs, consumers suffer from shortages and higher prices or farmers go broke and all of us suffer.

This year, I asked the Department of Agriculture to do a study to indicate what would happen if farm programs were abolished. This was before the Department realized that supplies would be as short as they are and reduced feed grain set-aside requirements, and before the spring floods that were so devastating this year. The analysis which they provided showed that the impact of eliminating farm programs could be disastrous in terms of farm prices and farm incomes. In the first year of the elimination of the program, corn prices could drop below a dollar a bushel and wheat prices could fall substantially. Cotton prices might range from 25 to 27 cents a pound. Now these prices may at first blush sound very good to the consumer particularly in the light of recent price increases, but farmers selling their products for these below-the-cost-of-production-prices simply will not stay in business long.

Further, the impact on agriculture in such a situation would go far beyond prices and production. Resource adjustment in agriculture would be agonizing, longlasting and farreaching, and we would move from a system of reasonably stable supplies to a "boom and bust" agricultural economy.

At times there would be more food available to consumers than they could consume. At others, our housewives would face severe shortages. Prices of food would gyrate accordingly and there would be no stability in the market.

We should appreciate what the farmer has done for us during the years when many accepted plentiful supplies of food and fiber at reasonable prices as almost a matter of course, and some regarded the farm program that produced them as a gravy train.

Farm prices and farm income during most of this period have been low. Even at present record levels, per capita farm income is at 83 percent of that for the non-farm population.

We need to assist our farmers in meeting our most essential needs, those for food and fiber as fully as we need to assist business with an efficient low cost postal service, labor with an adequate minimum wage, our maritime fleet with shipping subsidies, and our poor with a welfare program. There is no such thing

as letting every man go it alone in a free undetermined economy, so that the strong will prevail and the weak will perish.

We tried that once before when one of our past Presidents advised that Government should be "an umpire instead of a player in the economic game." He also wanted to keep Government of the farm.

The result of that advice became evident in 1933, when one-fourth of our farmers lost their land, and grain prices were at their lowest since the reign of the first Queen Elizabeth. Rural banks, and other enterprises dependent on the farmer as a customer collapsed and the whole country sank into one of the worst depressions in the history of this Nation.

There are those who would say that things are different now, that depression policies aren't relevant in this modern economy. And things are somewhat different. We have the Federal Deposit Insurance Corporation, Social Security, and many others. But probably more than any of these, we have had some kind of a farm program to protect us from the unregulated play of those economic factors that produce depressions.

All of the members of this body have heard the cry from their constituents that food prices are too high. If that contention is true, as contrasted with the increases in other items such as medicine and housing in this inflationary economy, then this bill gives the Secretary of Agriculture the tool to bring about the needed production. If farmers produce too much and drive farm prices down too far, they know they will be protected under the provisions of this bill.

Once the Secretary has determined the number of acres needed to meet our needs, the farmers are free to plant them without fear that a bountiful harvest will drive them to bankruptcy.

This bill says that the Government and, therefore, the taxpayers, must pay the cost if the Secretary's decision results in too much production.

There are those Members of the Senate who will look at this bill and think that it is a very complex measure. It is, let there be no mistake about that. But so is the business of feeding this Nation.

Early this year I asked Secretary Butz to provide the committee with a copy of the administration's farm bill. The Secretary declined, saying that instead he would rather work with the committee in developing a bill and would submit some general proposals to the committee. Therefore, it was incumbent upon us to proceed in a responsible manner to work out an effective bill.

One suggestion made by the administration was that we should phase out some portions of existing programs over a 3-year period. The committee felt that any provision of the existing program which was unwise should not be phased out, but should be discarded immediately. Thus, the provision for advance payments appeared to make no sense under existing conditions. The farmer should receive a fair price one

way or another, but he should not receive a fair price in the marketplace, plus a government payment. The committee bill, therefore, discards payments immediately if a fair price is received in the marketplace. On the other hand, the consumer must be assured of an adequate supply. So, as an incentive to production, the farmer is assured of a payment if the market price is not adequate.

At the suggestion of my distinguished colleague from North Dakota (Mr. YOUNG), the committee fashioned a bill that:

First, gives the Secretary of Agriculture great flexibility in assuring adequate supplies for expanding markets, both at home and abroad. It imposes no required controls on agricultural production. It is not restrictive. It is designed to assure consumers of a continuous and abundant supply of food and fiber, and it breaks away from programs of the past.

Second, it eliminates Government payments to farmers when market prices are at established levels and provides for payments only when market prices are below those established levels. And then payments would be only the difference between these two levels of prices.

Each year, the Government, using the expertise available to it, would estimate the anticipated needs of the Nation for feed grains, wheat, and cotton. Under this plan, if the Government estimates are correct and established prices are achieved, the farmer will not receive one thin dime of payments from the Treasury. If the projections are wrong and prices are lower, then the farmer gets a payment and consumers get cheap food. If the Secretary of Agriculture predicts correctly, this approach should save the taxpayers money, consumers would have an abundance of good, and the Government would share the risks with the farmer, rather than asking the farmer to bear the risks of Government predictions alone. Mr. Talmadge

Mr. President, the commodities included in this bill are the same as those in the 1970 Act. The class I base plan for milk is extended for 5 years. The wool, wheat, feed grains, and cotton programs are modified and extended for 5 years.

In addition, Public Law 480 and the food stamp program authorizations are extended for 5 years.

A number of other programs are also included. These are: the beekeeper indemnity program; the dairy indemnity program; the armed services milk program; and a forestry incentives program.

Mr. President, I ask unanimous consent to insert at this point in my remarks a short explanation of all of the major provisions of the bill.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

MAJOR PROVISIONS OF THE BILL

(By Titles of the Agricultural Act of 1970)

TITLE I — PAYMENT LIMITATION

The bill—

(1) Continues the existing \$55,000 payment limitation, but excludes compensation for resource adjustment or public access for recreation therefrom.

TITLE II—DAIRY

The bill—

(1) Extends Class I base plan authority, Armed Services' milk program, and dairy indemnity programs five years.

(2) Permits members' bases under a Class I or seasonal base plan to be allocated to their cooperatives.

(3) Permits history represented by a base under a cooperative, state, or federal base plan to be considered as history under a federal order Class I base plan.

(4) Permits the orderly phasing out of prior cooperative, state, or federal base plans.

(5) Makes it clear that the return to a producer for milk in excess of a Class I or seasonal base may be fixed at a rate below the lowest class price.

(6) Permits issuance of manufacturing milk orders without minimum price provisions, and provides for price posting in manufacturing milk orders which do not provide for minimum prices.

(7) Permits milk orders under section 8c (5) to fix minimum charges for services performed for handlers (to assure that minimum price guarantees will not be impaired).

(8) Permits location differentials used in computing minimum prices paid by handlers to differ from those used in computing producer returns where appropriate to direct the flow of milk.

(9) Makes it clear that the provisions for assurance that handlers pay for milk purchased by them is applicable to such payments to cooperatives, and permits milk orders under section 8c(5) to provide for payments to cooperatives for market-wide services performed by them (such as furnishing facilities, regulating the flow of milk to the market, absorbing surplus milk, etc.).

(10) Provides authority for standby reserve pools supported by payments from one or more orders which would supply milk when needed to such order areas.

(11) (Page 8, line 20, through page 9, line 6) Requires a hearing on a proposed amendment to a milk order if requested by one-third of the producers.

(12) Enlarges the criteria for determining minimum prices under marketing orders and support prices to include assuring a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs.

(13) Provides milk price support at not less than 80 percent of parity for current marketing year.

(14) Makes the suspension of the butterfat support program (and addition of the new price support criteria described in item 12) permanent.

(15) Extends the dairy product pesticide indemnity program to cover cows and to other environmental pollutants contaminating cows or milk.

(16) Restricts dairy imports to 2 percent of consumption.

TITLE III—WOOL

The bill—

(1) Extends the wool program for 5 years.

(2) Expands the market promotion authority of the National Wool Act of 1954 to cover information on product quality, production management, and marketing improvement, and to provide for overseas promotion of U.S. mohair and goats.

TITLE IV—WHEAT

The bill—

(1) Extends the wheat set-aside program, with the changes indicated below.

(2) Provides for a program for the 1974 through 1978 crops of wheat under which—

(a) Marketing certificates would not be issued to producers or, effective January 1, 1974, required to be purchased by processors;

(b) If the higher of the loan level or average market price received by farmers during the first five months of the marketing year

fiber at reasonable prices to the great consuming public. It is this kind of legislation that has helped make our farmers the most efficient and productive in the world.

There is need for increased production both to meet increased domestic needs and foreign export requirements. This year we will export more than \$11 billion worth of farm commodities. If it were not for these huge exports our balance of payments with the rest of the world would be even more dangerously out of balance. Increased exports offer one of the best means of improving our balance of payments and thus restoring the stability of the American dollar.

The bill we are considering gives farmers considerable protection against a drastic drop in prices if the requested increase in production results in price-busting surpluses. By increasing production to meet increased domestic needs and greater foreign exports, this could easily happen and farmers could find themselves in deep financial trouble.

I greatly appreciate the favorable comments by the distinguished chairman of the Senate Agriculture Committee in his Senate speech today with reference to a provision I had sponsored and which was adopted by the Senate Agriculture Committee. This is a new and unique provision establishing a target price for wheat of \$2.28 a bushel. The Senate Agriculture Committee adopted this provision not only for wheat, but applied a similar target price concept for feed grains and cotton as well.

This target or established price for major farm commodities is tied to parity. If operating costs continue to rise so would this target price. The heart of this provision is that if farm prices stayed as high as they are now there would be no payments to farmers. If farm prices decline below the target price, payments would again be resumed and there would be every justification for them.

Here is how it would work. If the average farm price of wheat remained higher than the target price of \$2.28 a bushel as it is now, there would be no payments to farmers. If the average farm price for wheat dropped to the lower level of only a year ago, then there would be reasonable production payments to farmers. The payment would make up the difference between the target price of \$2.28 a bushel and whatever the lower average market price might be.

Under the present program if the average farm wheat price remains as high as it is now, and the new wheat crop in the Southwestern States is selling at nearly \$3 a bushel, the Government would still have to pay farmers. If the total production for this year's crop were the same as last year, the payment to farmers will amount to approximately \$540 million. Again let me repeat that under this bill there would be no such payments at all when cash prices are high.

The target price for corn is \$1.53 a bushel. Other feed grain price supports under the provisions of this bill are tied to corn price supports the same as they have been in the past. Again assuming

that this year's crop would be the same as last year, with present cash prices for corn there would be no payment at all under the new bill. Under the provisions in the act of 1970, which is in effect for this year's crop, the Government payment to corn producers will be approximately \$905 million.

The situation is almost exactly the same with respect to cotton. There would be no production payment to farmers at all if cotton prices stayed at their present level.

The farm bill we are now considering thus should be far more acceptable to consumers. Consumers do not like to see farmers receive production payments when prices are good. Farmers themselves are not asking for production payments when prices are good. However, certainly farmers are entitled to some kind of protection against bankrupt prices that could result from over-production.

I note there is the same old opposition from the same old farm organizations who have opposed every farm bill since I came here 28 years ago. They seek to draw comparisons between the bill we are now considering and farm price supports in the Common Market countries. Their programs are almost directly the opposite of the one proposed in this bill. All the Common Market countries have price supports at least double, and in many countries more than double, those contained in this bill.

Although farm operating costs have increased sharply since the present law was written in 1970, the bill we are considering does not increase price support levels at all. Personally, as a farmer I would prefer seeing high price supports, but I believe the objective of higher price supports can be met in a large measure by the target price concept in this bill.

Most of the opposition to this bill comes from those who want the farmers to depend entirely on the free market for a good price with little or no price supports at all and no Government program that would give even the slightest protection against bankrupt prices. Neither the present Farm Price Support Act of 1970, which is in effect for this year's crop, nor the bill we are now considering interfere in the slightest with the free market.

There is one major difference between farmers and any other segment of our economy. When farmers sell their products, they have to accept what the market will provide. When they buy all the things they need to farm, they pay the going price without any means to control those prices.

Mr. President, of the more than 300 witnesses who testified at the hearings on this farm bill, with hardly an exception, all of them testified that even with the good crops of the past several years, about the only profit farmers realized was the Federal payments. All the farmers I talk with, and there are a great many, tell me the same story.

The financial situation of farmers has greatly improved in recent months, but the farm debt is still at an all-time high. Most farmers are operating with bor-

rowed money, and usually very sizable amounts.

This 5-year bill contains some other very important provisions which are generally well known and popular. It extends the Wool Act; Public Law 480—Food for Peace; and some provisions affecting dairy price support programs.

The bill has the support of the National Grange and the National Farm Organization, with some reservations on the dairy section. It has the full support of the National Farmers Union.

It has the all-out support of the National Wheat Growers Association, the Mid-Continent Farmers Association, the National Milk Producers Federation, and the Farmers Union Grain Terminal Association. There are many other important farm organizations and commodity groups who support this bill.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks four telegrams received from farm organizations regarding S. 1888; the names and addresses of individuals from whom I have received telegrams regarding S. 1888; and the names and addresses of individuals who have written me letters on the subject.

The PRESIDING OFFICER (Mr. BIDEN). Without objection, it is so ordered.

(See exhibit 1.)

Mr. YOUNG. Mr. President, I feel strongly that this bill must be passed by Congress and without any substantial changes. It will go a long way toward assuring more adequate supplies of food and fiber at reasonable prices and give much-needed assurance to farmers against bankrupt prices. Too, it will play a vital role in maintaining a strong economy.

Agriculture is still the Nation's biggest industry. Adequate supplies of food and fiber at reasonable prices are all-important.

EXHIBIT I

COLUMBIA, Mo.

Senator MILTON YOUNG,
Capitol Hill
Washington, D.C.

We have been advised action is expected on SB 1888 (1973 Farm Bill) within the next few days. We have reviewed this proposed legislation and believe it to be a good bill that will be in the best interest of farmers and the Nation. We urge your support of this legislation when it reaches the floor of the Senate for action.

FRED V. HEINKEL,
President Mid-Continent Farmers Assn.

WASHINGTON, D.C.

Hon. MILTON R. YOUNG,
Capitol Hill,
Washington, D.C.

The National Milk Producers Federation, on behalf of its member dairy cooperative marketing associations and their dairy farmer members, fully supports all provisions of S. 1888 as approved by the Senate Committee on Agriculture and Forestry. The dairy provisions of the bill are of particular importance in permitting the Nation's dairy farmers to modernize and strengthen their marketing programs. We respectfully urge your support for S. 1888 as approved by the Agriculture Committee.

PATRICK B. HEALY,
Secretary National Milk Producers Federation.

high "start up" costs, and his minority political position combine to suggest that farms of the future will be fewer and bigger. But he's not going to be driven off by big, vertically-integrated conglomerates. He's too tough a competitor, too flexible, too dedicated, for them.

He is important to America. He has made it possible for Americans to eat the best food at the lowest price in the world, and he is by far our biggest producer of foreign exchange. He's tired of being criticized because government production controls are necessary to avoid disastrous overproduction. Instead of being appreciated because he produces food at the lowest cost in the world, he hears demands for price controls when the price of his product starts moving upward for the first time in 20 years.

The United States faces a national policy choice: to continue to encourage him, to help him survive as the world's most efficient food producer; or, by shortsightedness, to force him into the control of marketing conglomerates through the ruthless economic pressures of disastrous overproduction.

Mr. TALMADGE. Mr. President, I send to the desk three amendments and ask that they be considered en bloc. They are in the nature of technical and clarifying amendments, and I know of no objection to them.

The PRESIDING OFFICER (Mr. BIDEN). The amendments will be stated.

The legislative clerk proceeded to read the amendments.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the further reading of the amendments be dispensed with. I will explain them.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

On page 2, line 19, after the period, insert the following:

"In the event the total marketings of milk of any such producer during any period for which prices to producers or production history is computed or determined, including milk delivered by his association to persons not fully regulated by the order, is less than the base allocated to his association for his account hereunder, such base shall be reduced for such period to the amount of such total marketings."

On page 4, lines 20 and 21, strike the following, ", including but not limited", and insert the following:

"who is given the opportunity to purchase the milk with or without such services, and elects to receive such services, such services to include but not be limited".

On page 6, beginning in line 18 with the word "and", strike all through line 20 and insert the following:

"(ii) furnishing other services of an intangible nature not hereinbefore specifically included, and (iii) providing any services, whether of a type hereinbefore specifically included or not, which handlers are ready and willing to perform without charge";

EXPLANATION OF FIRST AMENDMENT

Mr. TALMADGE. Mr. President, the first of these amendments is an amendment to the provisions of the bill which permits an order to provide for allocation of members' bases to their cooperatives. The purpose of that provision is to eliminate wasteful transportation costs by permitting cooperatives to substitute one member's milk for the base milk of another in making deliveries in the most

efficient manner possible. But there was no desire to permit the cooperative to make such substitution for base milk that was not produced or delivered to it.

The provision of the bill which begins on page 2, line 19, in describing the base which will be returned to the member when he leaves the cooperative, makes it clear that the base returned to him will be based on his total deliveries to his cooperative, and consequently will be less if his deliveries have been less than the base allocated to the cooperative for his account.

I believe the bill and the existing law should be construed as requiring the same rule to apply while the member continues to belong to the cooperative, as bases are updated annually. If a member fails to deliver milk equal to the base allocated to his cooperative for his account, that base should be reduced accordingly. However, I believe the law would be clearer on this point if the bill specifically so provided.

An appropriate corollary to this is that the cooperative should not be permitted to substitute the milk of one member for base milk that was not produced or delivered to it in order to obtain payment for the greater quantity of base milk.

The first amendment I have proposed would make the corrections described above.

EXPLANATION OF SECOND AMENDMENT

The second amendment deals with the provision of the bill which permits an order to prescribe minimum charges for services performed for a handler. It was intended that this provision of the bill should apply only to services which the handler desired and requested, and the language "for a handler" on page 4, line 20 was thought adequate to accomplish that objective. However, it has now been suggested that this provision might be applied to services which the handler would prefer to perform himself, but which he must accept in order to obtain the milk. This was not intended and my second amendment would make it completely clear that this provision is applicable only to services performed "for a handler who is given the opportunity to purchase the milk with or without such services and elects to receive such services."

EXPLANATION OF THIRD AMENDMENT

The third amendment deals with the provision of the bill permitting orders to provide for payments from the pool to cooperatives for services of marketwide benefit. My amendment would make it clear that this provision would not be applicable to services which handlers are ready and willing to perform without charge. This amendment makes essentially the same change in the provision dealing with marketwide services that my second amendment makes in the provision dealing with services performed for an individual handler.

Mr. President, each member of the committee has been sent the proposed amendments and the clarifying nature has been explained. They have been discussed with the ranking minority member. I know of no objection to the amendments. I urge their adoption.

Mr. DOLE. Mr. President, would the Senator yield? There are no objections to the amendments. I think they go a long way to clarifying some of the misunderstandings about these particular sections.

I would like, however, before they are accepted, to ask four questions which I think could be simply answered and which may clear up some further misunderstandings about what the committee may or may not have done and the intent of the bill.

I ask this question of the committee chairman. First, under the bill pending before the Senate, would a milk marketing cooperative be able to block vote for their members to put into effect a Federal class 1 base plan?

Mr. TALMADGE. Absolutely not. A class 1 base plan cannot be put into effect except by the individual vote of producers.

Mr. DOLE. That is my understanding. However, as I have said earlier, there seems to be some misunderstanding.

The second question relates to how many individual dairy farmers would be necessary or, in other words, what percentage would have to vote to create a Federal class 1 base plan?

Mr. TALMADGE. Mr. President, 66 2/3 percent, the same as the law now provides.

Mr. DOLE. Mr. President, my third question concerns what official action must be taken by the USDA prior to the vote to approve a Federal class 1 base plan.

Mr. TALMADGE. They must conduct full hearings, determine that all provisions of the plan tend to effectuate the act, and the plan must be approved by 66 2/3 percent of the producers, voting individually.

Mr. DOLE. Mr. President, if a farmer wants to drop his membership in a cooperative, does he retain his class 1 base plan arrangement or can he retain his base under the provisions of the bill pending before the Senate?

Mr. TALMADGE. Absolutely. The bill is very specific in this regard.

Mr. DOLE. Mr. President, I have discussed this particular question with the chairman of the committee. I understand it to be that way. There cannot be any misunderstanding as far as the committee is concerned. However, there apparently have been some.

Mr. TALMADGE. Mr. President, the first technical amendment I propose would clarify that misunderstanding on the part of some people. That was not in the bill. It merely clarifies the bill to make certain that there be no misunderstanding.

Mr. DOLE. Mr. President, I thank the distinguished chairman of the committee.

Mr. TALMADGE. Mr. President, I yield back the remainder of my time and urge the adoption of the amendments.

The PRESIDING OFFICER. Does the Senator from Kansas yield back his time?

Mr. DOLE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendments en bloc.

The amendments were agreed to en bloc.

Mr. TALMADGE. Mr. President, I believe the distinguished Senator from Oklahoma has a further amendment of a clarifying nature that he desires to propose at this time.

Mr. BELLMON. Mr. President, I call up my amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 8, line 8, immediately after the word "hearing" insert the following: "if the proposed amendment is one that may legally be made to such order".

On page 8, line 14, immediately after the period, insert the following: "The Secretary shall not be required to call a hearing on any proposed amendment to an order in response to an application for a hearing on such proposed amendment if the application requesting the hearing is received by the Secretary within 90 days after the date on which the Secretary has announced his decision on a previously proposed amendment to such order and the two proposed amendments are essentially the same."

Mr. BELLMON. Mr. President, at my request the Committee on Agriculture and Forestry added a provision to S. 1888 to require the Secretary of Agriculture to call a hearing on a proposed amendment to a milk-marketing order upon petition of 30 percent of the dairy farmers in the order area.

This proposal now at the desk makes two changes in that particular section of the bill.

First, it makes clear that the petition would be valid only of the proposed amendment to the order is legally permissible.

Second, it provides that the Secretary may not be required to call a hearing on any proposed amendment within 90 days after having announced a decision on a previously proposed amendment which is essentially the same in content.

Mr. TALMADGE. Mr. President, I have discussed the amendment proposed by the Senator from Oklahoma with members of the staff. I wholeheartedly agree that it would be foolish to the extreme to mandate the Secretary of Agriculture to call a hearing on an amendment that he could not lawfully implement.

I, therefore, urge the adoption of the amendment and yield back the remainder of my time.

Mr. BELLMON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Oklahoma.

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, again let me commend the chairman of our Senate Committee on Agriculture and Forestry, the distinguished gentleman from Georgia. The Honorable HERMAN E. TALMADGE for the excellent leadership he has provided within our committee in fashioning S. 1888, the Agriculture and Consumer Protection Act of 1973. He has, through his able and superb leadership, along with that of the distinguished Senator from Nebraska, Senator CARL CUR-

IS, and other members of the committee, done a good job in developing this historic piece of legislation.

Serving as I do both as a member of the Senate Committee on Agriculture and as chairman of the Consumer Affairs Subcommittee of the Joint Economic Committee, I can say that this proposed legislation serves both the interests of the farmer and the consuming public—both here in this country and throughout the world.

If ever there was a time in our Nation's history when the basic interests of both agricultural producers and consumers were parallel, it is today. The matter of reaching an agreement on national agricultural policy has never before been so important as it is today.

With 2.0 million people of this Nation and the hundreds of millions of people throughout the world depending upon the American farmer for adequate supplies of food and fiber at reasonable prices, it is imperative that our Nation's agricultural policy provide the necessary incentives to the farmer to produce those commodities. This means at price and income levels commensurate with costs of production, plus a fair return on investments and labor. Anyone wishing to compromise these basic principles, will have to answer sooner than they may think to the public for their failure to understand or properly represent the essential requirements of producing food and fiber in this Nation of ours.

As chairman of the Consumer Affairs Subcommittee of the Joint Economic Committee, I am actually aware of "consumer" concerns about recent increases in food and feed grain prices. Housewives are neither the first nor the only group that has felt the impact of these recent price increases. Farmers who feed beef cattle, poultry, hogs or dairy animals have felt them most dramatically. High protein feed ration costs have more than tripled in the last 6 to 8 months.

And as was pointed out in a study released through our Consumer Affairs Subcommittee earlier this year, the basic cause lying behind recent shortages of red meats, soybeans, feed grains, and wheat were, First, the corn blight of 1971; second, mismanagement of our farm programs subsequent to that event; and third, failure of our National Government to properly assess all relevant factors surrounding sales of wheat and feed grains to Russia last fall, particularly those factors relating to overtaxing our Nation's rail transportation system.

Providing for a proper supply balance of wheat, feed grains, and soybeans is essential to both our Nation's cereal industries and to our Nation's livestock and poultry industries. Failure to provide and maintain that balance undermines the basic stability of both supply and price of such commodities, which usually results in a speculators' field day and a consumers' nightmare with little or no benefits occurring to the individual producers of those commodities.

And also, let not the laboring man in Detroit, Rock Island or Houston forget for a moment that the biggest consumer of the products he produces, is the American farmer. To produce as efficiently as

he does, the American farmer is our Nation's biggest consumer of steel, rubber, and petroleum, to say nothing of the huge amounts of chemicals he utilizes or the enormous amounts of credit he must have access to through our Nation's banking and other financial institutions. He may constitute a small percentage of our Nation's population today, but do not underestimate his importance to our national economy—or to our Nation's position in the world marketplace.

The American people pay a relatively small price for the abundant agriculture it enjoys today. American agriculture is over twice as productive as the nonfarm sector of our Nation's economy. The American farmer produces enough for himself and 51 other people. He has more than twice the invested capital per production unit than any other sector of our economy. And yet, the American consumer—even at today's prices—spends less of his disposable income for food than any other person in the world or in the history of mankind. Now I challenge any other segment of our Nation's economy to match those accomplishments—whether it be in the field of industry, labor, or services—Government or private.

Up until about 12 months ago, prices for most raw agricultural products had been averaging at 22-year lows—and they had been at those low levels for a long time. Yet I do not recall reading or hearing from any of our national news media on how either the farmer was being hurt by such low prices or how the consumer was benefiting. Silent. That is all. Now, however, with the American consumer getting a taste of scarcity, how do some areas of our national news media react? Rather than try to understand the real causes of this scarcity, they immediately want to throw 40 years of public policy which has created this incredibly productive industry right out the window.

The proposed Agriculture and Consumer Protection Act of 1973 is truly a major and comprehensive piece of legislation. It not only provides a new 5-year program for wheat, feed grains, and cotton but also extends for a similar period of time, our Nation's food stamp program, our Nation's food for peace program—Public Law 480—and the class I dairy program. It also extends the wool program for 5 years and repeals the wheat processor certificate requirement effective January 1, 1974.

The bill also provides a new forestry incentives program to help stimulate the development of forestry and forestry products on private lands. It provides for creation of a national transportation committee to monitor and recommend actions for avoiding and alleviating transportation crises of the type our Nation is now suffering as a result of earlier lack of planning. It provides for needed additional research concerning wheat, feed grains, and cotton. And it provides for added and needed emphasis on stimulating further expansion of our Nation's farm exports. It also contains provisions recommending that the President initiate action leading to an international agreement on grains involving both exporting and importing nations of the world.

~~While this bill, as it was reported by our committee, is in need of a few strengthening amendments—which I will comment on later—I want to make it very clear that I support this bill. I participated in many of the hearings held in connection with this legislation and in the committee's markup sessions. I understand its provisions and the reasons for their inclusion.~~

Let us first look at the dairy provisions in this bill.

There is controversy about some of these features. Therefore, let me help set the record straight regarding statements and charges that have been made against many of them. I do not question anyone's motives or their right to raise questions or concerns regarding provisions of this or any other piece of legislation, but I do wish to express my personal resentment when opponents to some of these provisions suggest or charge that I and other committee members did not understand what we were voting for—or that we did not believe in what we were voting for—or worse yet—that our motives in voting for these provisions were based upon something other than on the merits of each amendment as we saw them.

Each and every provision contained in this bill pertaining to dairy was examined and discussed by the committee before final adoption. Over 50 pages of testimony was presented in public hearings concerning these and other suggested dairy provisions. There were many provisions relating to dairy marketing orders that were recommended to the committee that were rejected. There were others that were accepted but modified. But there were none adopted that were not duly considered by the committee beforehand.

Despite the fact that these provisions and other dairy amendments were first proposed to our committee on February 28 of this year in public hearings—over 2 months ago—and made public through farm and dairy organization journals and newsletters, the charge has been made by some critics that "the Department of Justice, competing dairies and dairy farmers, and consumer groups had no opportunity to express their views on these proposals." Well, let any of them document an instance where our committee refused to hear their views. If they did not express their views, it was because they were asleep or because they do not follow or read the farm or dairy press, not because of any refusal on the committee's part to hear from them.

And speaking of the Justice Department, its record does not qualify it as a particular friend of the farmer. Show me one instance where it has tried to help or assist the farmer. When has it ever tried to move in and prevent big processors or buyers of farm produce from taking advantage of hundreds of individual farm producers.

Apparently it is alright for the Justice Department to take out after the laboring man and his unions, the farmer and his cooperatives. But for some strange reason, the Department of Justice does not seem overly concerned about our Nation being down to "three" big auto

companies, or "four" big steel companies, or a handful of oil companies.

But as soon as a few thousand farmers get together to cut their costs and improve their marketing efficiency and to gain some bargaining strength in dealing with big processors or food chains, look out. The Justice Department is ready to sock them with an anti-trust suit. One week, it has a suit against the National Farmers Organization, and the next it has a suit against one of the dairy cooperatives.

Well, let me set the Justice Department straight regarding the dairy provisions in this bill. First of all these amendments are supported not by just two or three big co-ops. They were proposed and supported by the National Milk Federation, which has 65 producer cooperatives as its members, some big, some small, from all over the United States. And as I recall, not one of these member coops of the federation dissented regarding these proposed amendments, whether the coop was in California, Wisconsin, Florida, or Minnesota.

The provisions in this bill relating to dairy are basically designed to enable farmer-cooperatives working through marketing order arrangements to do a better job of moving milk where it is needed and when it is needed. In other words, to do a more efficient job in getting it to the housewife and consuming public in a timely manner.

Enactment of these dairy marketing provisions does not automatically make them part of a marketing order. In the case of those amendments included in this bill relating to Class I base plans, a referendum must be conducted with each individual producer voting whether he wants such provisions included in his marketing order plan. And I want to especially point to the fact that that vote must pass by a two-thirds majority.

In the case of the other amendments included in this bill relating to other types of marketing orders, a two-thirds vote also is required, although so-called "block voting" is permitted. Also it is important to understand here that the Secretary of Agriculture must hold public hearings preceding the holding of any referendum relating to the adoption of such provisions in any marketing order. In fact, the Secretary must be satisfied that following such hearings that inclusion of such "proposed" provisions in any marketing order carries out the purpose of the Agricultural Marketing Agreement Act. If he decides that such "proposed provisions" do not meet that criteria, then the proceeding is stopped right there. And the hearings that are conducted in these instances are "public" hearings. Anyone—dairy farmer or housewife—living within the marketing area involved is welcomed and entitled to attend and speak their piece at such hearings.

And now let us examine the charge that the dairy marketing feature in this bill would broaden coop exemption from anti-trust laws. Nonsense. They do nothing of the sort.

First, the Justice Department and others, should be reminded that what ex-

emption coops have to anti-trust laws was spelled out and incorporated in the Capper-Voistead Act, which Congress passed back in 1922.

Not one of the provisions in this bill amends that act. I would like to further point out that under that Act the formulation of marketing cooperatives is encouraged—not discouraged. The following language, which appears in that Agricultural Marketing Agreement Act of 1937, further reflects congressional policy in this regard.

The Secretary, in the administration of this title shall accord such recognition and encouragement to producer-owned and producer-controlled cooperative associations as will be in harmony with the policy toward cooperative associations set forth in existing acts of Congress, and as will tend to promote efficient methods of marketing and distribution.

And then there is the general charge that adoption of these dairy marketing provisions will result in escalation of milk and cheese prices to consumers. Again, such a charge is simply not true. These marketing provisions have nothing to do with dairy product pricing to consumers. They are designed to give dairy marketing cooperatives an opportunity to further increase their efficiency in collecting, distributing, and marketing dairy products, an objective which helps to reduce—not increase—the price of milk to consumers.

Now let us examine each of these dairy provisions in detail—and on their merits. The explanation of each provision follows the sequence of appearance as shown on page 2 of the committee report:

First. Extends class I base plan authority, armed services' milk program and dairy indemnity programs 5 years.

This section merely extends for 5 years those dairy provisions which were in the Agricultural Act of 1970. It is the same extension as is granted other sections and commodities.

Second. Permits members' bases under a class I or seasonal base plan to be allocated to their cooperatives.

This is a controversial section. Opponents originally contended that a farmer turned his base over to a cooperative who could dispose of it—for gain—and do anything else they wanted with it.

This is not true. As is stated on page 27 of the report "The base would revert to the producer when he leaves the (cooperative) association." In other words, the cooperative has use of the base while they are marketing the producer's milk. Title to the base remains with the producer.

There are two benefits to such a proposal—one for the producer who holds the base; the other to the cooperative. As an illustration, let us assume the cooperative finds a market for some milk outside the area—market, order—for which the base applies. Under the rules for which laws are established an individual farmer would lose the right to have future base established on the milk which he sold outside of the market. In other words if he produced 500,000

pounds a year but 150,000 went to another market for future base purposes they would say he produced only 350,000 pounds.

If, however, this milk is sold on the other market by his cooperative he would still be entitled to credit for this in any new base. To that extent the producer fundamentally benefits.

The cooperative benefits by having an opportunity to more orderly market its members' milk. In the cited illustration they have a chance to make a good sale. But without this new provision whose milk should they move? Whoever they choose will be penalized in establishing future bases. With the new provision they could move whichever milk available to them was most feasible to move—closeness to the new market, et cetera—without worrying about penalizing any producer.

Again let me make it clear that it is not the intent of this section to take the base away from the farmer other than to assist in orderly milk marketing and that in effect title to the base stays with the farmer.

Third. Permits history represented under a cooperative, State, or Federal base plan to be considered as history under a Federal order class I base plan.

This section is slightly controversial. In many areas of the country, cooperatives have been operating a base plan, under which a producer has been asked to reduce his production in line with the local market needs. As new base plans are established under milk market orders it may be advisable to incorporate the old—cooperative—base plan into the new—market order—base plan. Certainly it makes little sense to have two plans functioning.

Again, a hypothetical example may best explain what this section is intended to do. Suppose you have two farmers in the market, one a cooperative member, the other not a cooperative member. Every year they each average 1,000 pounds of milk a day. Then in 1972 the cooperative sets up a base plan, setting bases at 80 percent of past production. The cooperative member then gets a base of 800 pounds and he reduces his production to it. The nonmember keeps on producing his 1,000 pounds a day. In 1973 a base plan is established under the milk marketing order, also calling for a base of 80 percent of production history.

The cooperative member says in effect "I have already cut my production 20 percent under our—cooperative—plan last year. Must I cut another 20 percent? That would bring my base down to 640 pounds while my neighbor who never cut his production and is causing this problem will get a base of 800 pounds."

The new provision recognizes the existence of such a situation and allows recognition for the history used in establishing bases under the cooperative plan.

Fourth. Permits the orderly phasing out of prior cooperative, State, or Federal base plans.

As indicated above it does not make sense to operate two base plans in the same market. If a base plan is set up under the milk market order this permits procedures to phase out the old—co-

operative—base plan in an orderly manner.

Fifth. Makes it clear that the return to a producer for milk in excess of a class I or seasonal base may be fixed at a rate below the lowest class price.

This section is somewhat controversial primarily because it is not well understood.

Under market orders buyers of milk from farmers pay for that milk on the basis of how they use it. Normally class I is milk going into bottle use and class II is in other manufactured products. This method of payment is not changed by this new section. In other words it will have absolutely no effect on the price to the consumer, nor will any milk dealer get a windfall.

Under a base plan from all the money which buyers pay into a market pool payments are made to farmers for milk which is base milk and for that which is overbase milk. Existing law however says that overbase milk cannot be priced any lower than the lowest class price on the market.

The intent of a base plan is to discourage production of milk beyond that which is needed for the market. The present limitation—on overbase milk—hammers reaching this objective.

Perhaps overbase milk is priced at \$6 and base milk at \$8 at the present time, but the farmers feel they can still produce this extra milk for \$6 so they do not reduce production. However \$6 is also the lowest present class price on the market so that price presently cannot be reduced.

Perhaps the overproduction could be reduced if this overbase price was set at \$4. The new section would permit this to be done. In that case the base price would also go up, because all of the money which dealers have paid in will be paid out to the farmer. In other words it is a different cutting up of the pie.

Some have expressed the concern that the Secretary of Agriculture could set the overbase figure ridiculously low—such as at 5 cents a hundred pounds—permit me again to point out that these provisions become effective only after the farmers who ship their milk to that market approve them by a two-thirds vote.

Sixth. Permits issuance of manufacturing milk orders without minimum price provisions, and provides for price posting in manufacturing milk orders which do not provide for minimum prices.

Presently the interpretation is that minimum prices must be established in any milk order which is set up. For milk used strictly for manufacturing purposes—butter, cheese, and so forth—such as is found in Wisconsin, Minnesota, and Iowa, minimum prices are impractical because such milk is used for products which move nationally, thereby sort of automatically setting a minimum national price.

However there are other features of milk orders which are desirable. Weights and tests are checked to assure that farmers are paid what they are told they are paid. Manufactured milk producers have wanted an order to get these benefits. This provision would permit it. The

dealer would, however, have to publicly announce his price and the order administrator would determine that farmers were paid accordingly.

Cost of operating such an order is borne by the milk involved. It is not an expense of the Federal Government. This is also true of all other orders.

Seventh. Permits milk orders under section 8c(5) to fix minimum charges for services performed for handlers—to assure that minimum price guarantees will not be impaired.

Smaller cooperatives will probably benefit the most from this. As we have pointed out present orders are set to establish minimum prices. However through the years the milk handlers have obliged the cooperatives to provide certain services for them.

Instead of taking milk every day they may now want it only 3 or 4 days a week. When milk is in long supply in the spring they ask the cooperative to move the excess, et cetera. Such services cost money, and in some instances the cooperatives are expected to provide them to dealers without compensation. As a result the minimum price which the order establishes is not met.

For example, assume the minimum price established for a market is \$7 but it cost 15 cents to provide services to certain dealers. That dealer is in effect not paying the minimum price; he is paying 15 cents under it and the farmers to that extent—who must pay these costs through their cooperative—are underpaid.

This provision permits the fixing of minimum charges for this type of service. Here again such charges are established only after a public hearing, after USDA approval and after an affirmative two-thirds vote of the farmers involved.

Eighth. Permits location differentials used in computing minimum prices paid by handlers to differ from those used in computing producer returns where appropriate to direct the flow of milk.

This is an extremely difficult one to explain but it is very helpful in the orderly marketing of milk.

In every milk order there is now one prime pricing point, usually the biggest market—Chicago, Twin Cities, et cetera—as one moves away from that point the price a farmer gets is lower because of the cost of moving that milk to the major market.

A good illustration is Milwaukee and Chicago. The price to farmers for milk at Milwaukee is 4 cents less than at Chicago—even though they are in the same order—fundamentally because it would cost 4 cents to truck it from Milwaukee to Chicago.

This is basically a part of every order and has much more logic to it than we recite here.

The proposal in the bill would not change that pricing method.

However, let us assume that suddenly there is need for more milk so that some milk going to Chicago has to be "moved backward" into Milwaukee. The farmers whose milk would be involved object because they are going to get 4 cents less.

This provision would permit special

adjustments in the rates of payment to farmers in such cases without completely disrupting the regular pricing relationships on the market.

Ninth. Makes it clear that the provisions for assurance that handlers pay for milk purchased by them is applicable to such payments to cooperatives, and permits milk orders under section 8c(5) to provide for payments to cooperatives for marketwide services performed by them—such as furnishing facilities, regulating the flow of milk to the market, absorbing surplus milk, et cetera.

This section is controversial.

In some ways it is similar to item (7) except that the services are provided marketwide and, in the method of accounting in milk market orders they are charged against all producers in the market.

In various markets services are carried out by cooperatives which benefit all producers in the market. They may for example, have the only facility for handling surplus milk, whether this surplus accrues on weekends or in the spring flush. Therefore, when milk is diverted to such a plant, though it be co-op milk, it has cleared the entire market of the surplus.

This proposal is based on the principle that whenever "everyone benefits everyone should pay." It is no more nor less than that.

Two arguments seem to have been raised. One is that not all such services may be marketwide in scope. Here again we must point out that this proposal is only permissive—as are all the others on market orders—and that the determination of whether or not a service is marketwide would have to be determined by public hearing, USDA approval and farmer ratification by a two thirds vote.

The second argument is that this becomes a sort of a "union shop" and that farmers must pay to the cooperative even when not members. Again this would apply only to those services for which all producers benefit. As the committee report clearly states—page 30—"This amendment is intended to provide that producers who are not members of the cooperative bear a proportionate share of the cost of the cooperative's activities that have benefit to all producers." It clearly does not oblige nonmembers to pay for all services of the cooperative. In fact the bill itself excludes certain services—economic, educational and legal. Cooperatives may—and likely do—have many other services, such as contributing to advertising programs, et cetera. Under this provision nonmembers could not be charged for these. It is strictly limited only to those activities involving the product—milk—and only to those which benefit all producers.

Tenth. Provides authority for standby reserve pools supported by payments from one or more orders which would supply milk when needed to such order areas.

This is controversial and has been badly distorted particularly by the Justice Department.

Presently there are certain areas, such as Florida, which do not have adequate

year-around supplies of milk. When milk gets short, usually in the fall, they used to have to scramble around all over the country to get the milk they needed.

Under the standby pool however, the cooperative associations in an area of that type contract with cooperatives in the surplus milk areas to have their milk "on call" when the short supply market needs it. Producers in the short supply area pay a couple of cents—currently 2.25 cents—on their class I sales which goes to producers in the contracting cooperatives in Wisconsin and Minnesota. Under this agreement the short supply areas have "first call" on milk from the cooperative plants with which the agreement is made. During the remainder of the year they can run it through their local butter and cheese factory.

Under it both groups benefit. The producers in the surplus area get a premium over what they would get if their milk was on call. And the short supply area is assured of a supply of milk.

For some unknown reason—or is it the Justice Department comment—this has been painted as a device to pay farmers to keep their milk off a market. Actually it is just the opposite. It is to pay them to have their milk on the market when it is needed.

It is just good business. This section would permit it to be formalized under Federal orders; currently it is run by the cooperatives.

Eleventh. Requires a hearing on a proposed amendment to a milk order if requested by one-third of the producers.

Currently the Secretary of Agriculture can, on his own volition, deny a hearing to be held under a milk order. Sometimes there is good reason to do so. Action may just have been completed on something very similar. Or the petition for a hearing may involve proposals which are clearly illegal under milk orders. However, late last year—primarily we think, because of public concern over rising food costs—the Secretary of Agriculture denied a number of hearings to consider emergency price increases—as feed and other farm costs soared.

This proposal would require hearings to be held if one-third of the affected producers so petition.

Twelfth. Enlarges the criteria for determining minimum prices under marketing orders and support prices to include assuring a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs.

Presently in setting prices under milk orders and in establishing the price support level the Secretary of Agriculture gives almost exclusive consideration to the current adequacy of the milk supply.

This proposal would oblige him to consider the future. Is farm income adequate to continue an adequate supply? What are future needs?

Thirteenth. Provides milk price support at not less than 80 percent of parity for current marketing year.

The Secretary of Agriculture has set price supports at 75 percent of parity—\$5.29—on April 1. Milk production is

dropping alarmingly; costs have soared, but further adjustment after April 1 is not required of the Secretary.

Actually the current market price is approximately 80 percent of parity so this move would not materially affect existing prices—only a few cents if at all. However, it would give farmers assurances against further efforts to drive his prices down, such as the Cost of Living Council indicated was behind the recent nonfat dry milk import move.

Fourteenth. Makes the suspension of the butterfat support program (and addition of the new price support criteria described in item 12 permanent.

Under the 1970 act the price support level for butter can be set at less than 75 percent of parity provided the "mix" of support prices for all three supported commodities—butter, nonfat dry milk, and cheese—is above that level. This provision makes that feature permanent.

Fifteenth. Extends the dairy product indemnity program to cover cows and to other environmental pollutants contaminating cows or milk.

This provision merely extends existing provisions of law and further extends indemnity coverage to include cows, the latter feature being provided in an effort to reduce indemnity costs to the Government. Rather than continuing to indemnify a farmer for destroying contaminated milk emanating from a contaminated cow, it is often far economical to indemnify the farmer for destroying the cow.

Sixteenth. Restricts foreign imports of dairy products into the United States to 2 percent of domestic consumption and provides for U.S. dairy producer associations to participate in further expansion of such imports.

This provision is designed to provide the dairy farmers of this Nation with some minimum protection from foreign countries dumping wholesale amounts of manufactured dairy products onto the U.S. market which could do severe economic harm to our own dairy industry. Current levels of dairy imports have been running about 1½ percent of domestic consumption. Therefore this provision in the bill does not unduly restrict further imports. This particular provision in the bill also provides authority to the President to exceed the 2-percent level whenever he deems such additional imports to be of overriding economic or national security interests to the Nation.

Given the fact that most all dairy imports coming into the United States are heavily subsidized by the exporting nations supplying them, I believe the 2-percent limitation is a reasonable guard against "dumping" whether initiated by exporting nations or inspired by our own Government.

Now, Mr. President, I would like to turn my attention to what I consider the most important provisions of this legislation, namely those relating to our basic wheat, feed grains and cotton programs. Under this bill a new target price system is designed to provide for no Government payments to producers of these commodities if the average market price

production would be segregated and maintained, but that portion of payments made to farmers over and above the price received in the marketplace would be eliminated in 3 years. Such a program would have affected mainly cotton and wheat programs, since payments in the feed grain program were made to control production.

Based on testimony presented at committee hearings and from contact with our constituents, committee members were unanimous in opposition to this proposal.

Repeatedly the administration contended its justification for this phaseout proposal was the expectation that worldwide demand for food will continue to expand and that our farmers will continue to receive the best prices in history for their crops.

THE TARGET PRICE CONCEPT

I concur in these optimistic forecasts. In fact, at the annual meeting of the National Farmers Organization in December 1971, I predicted that agricultural exports would exceed \$10 billion by 1980. I believe we are on the threshold of further expanding exports. Recent hearings on the worldwide demand for agricultural products by the Subcommittee on Foreign Agricultural Policy support this optimism. Every member of the Senate Agriculture Committee believes that the future is, indeed, bright for exports.

But with all due respect for our ability to foresee and predict this continued expansion, we cannot ask our farmers, who still live on only 83 percent of the income enjoyed by nonfarm workers, to assume all the risk.

When Senator MILTON YOUNG presented his target price concept, it was closely evaluated and accepted by all committee members. Essentially it provides that if these prices are not maintained, the farmers will receive payments to make up the difference between the target price and the market price. Through this change in the method of payment to participants in the set-aside program, income supplement payments will be phased out in direct proportion to the accuracy of the Government's prediction that market prices will stay at higher levels. If those predictions are wrong, however, the Government will share the risk with farmers.

The flexibility of the set-aside program will be maintained to the benefit of the farmer, and yet it will also serve the Department of Agriculture as a control on overproduction that would depress prices through accumulated surpluses.

Mr. President, I believe that—in the face of increasing worldwide demand for more and improved food—this new target concept, coupled with the flexibility of the set-aside program is truly a step ahead in the future of this Nation's agriculture—especially for the farmer.

Our farmers do not want farm payments from the Federal Treasury. They would rather receive their income from the marketplace. This program provides the incentives to accomplish this goal— incentives for the farmer to produce adequate supplies at a fair price— incentives

for the Government to maintain exports and control production to minimize Federal expenditures.

Mr. President, I recognize that there are some changes and additions made in this bill that are questioned by other Members of this body, but I am confident these differences can be worked out shortly. I urge my colleagues to support the bill and act promptly for the benefit of our farmers and the Nation.

Mr. President, I would briefly like to comment on several additional provisions of the bill.

PAYMENT LIMITATIONS

Only a few Kansas farmers receive payments in excess of the present \$5,000 limit, but I opposed the adoption of that limitation because it might be taken by some as a signal of the gradual decline of the farm program in general. But more importantly, it could have the effect of forcing the large farmer out of the program, thus weakening the effectiveness and purpose of the whole program.

Some now favor lowering the maximum payment limitation even further. I would recommend the present limitation be extended. Any additional reduction would work against the purpose of the bill. This proposition will face considerable discussion in the House of Representatives, and any differences could be well arbitrated in the conference committee. Mr. Dole

DAIRY AMENDMENTS

Mr. President, I recognize that some of the amendments to the dairy title are under criticism. I would attempt to bring some clarity to the confusion that has been generated over these considerations.

First, it should be recognized that operating a dairy farm is one of the hardest jobs there is, and even with all the technological improvements and mechanical developments, the cows still have to be milked twice a day, 7 days a week, 365 days a year. And the margin on which a dairy farmer operates is seldom sufficient for him to hire someone to do the milking. In 1950 twice as many cows were producing milk as in America today.

In Kansas, for instance, there has been approximately a 3-percent reduction in the number of dairy cows each year, a drop of 40,000 milk cows in the past 10 years. But milk production needs have been met through increased output from the remaining cows; although, under the pressures of rigid price structures and rising costs dairy farmers are dispersing their herds at an increasing rate and converting to calf production, because they can make more money with less work in that type of operation than in dairying. A prime example of these cost increases can be seen in soybean meal, a major ingredient in dairy livestock feed, which in the past 18 months has increased from \$70 per ton to \$385 per ton, and some recent reports indicate it has gone for \$400 per ton.

As with other perishable commodities, milk is sold for whatever the farmer can get in the market. The individual farmer does not have any means to increase the price he receives, even though his costs increased dramatically. How-

ever, in recent years many farmers have organized cooperatives to process and market their milk production. Through this effort they have been able to market their milk more efficiently and have improved their incomes somewhat; however, the loan level for milk is still a major factor.

In the State of Kansas there are 12,563 dairy farms. Eighty-nine percent of these dairy farmers market their milk through dairy cooperatives.

If we expect to have an adequate supply of milk in the future, we must provide milk prices at sufficient levels that will provide incentives to dairy farmers. And we must protect our dairy farmers against excessive dairy imports. The dairy provisions in this bill provide for an increase in milk price supports for the remainder of this year and impose a limit of 2 percent of the prior year's domestic consumption on the amount of dairy products that may be imported. These provisions are essential to keep our present dairy farmers in business.

FOOD FOR PEACE

This bill will extend the food for peace—Public Law 480—program for 5 years.

Food for peace is one of America's great success stories, and it is uniquely American. Those who have studied and admired the food for peace program initiated by President Eisenhower in 1954 have quickly recognized it had a much broader significance than as a mere means of surplus disposal. It was recognized early in the program that it could be used to advance the foreign policy of the United States.

When he signed the law, President Eisenhower emphasized the purpose of the program as supporting U.S. foreign policy and expansion of our agricultural trade. Yet to this day too many people still tend to think of the program merely as a means to dispose of surplus. It is more accurate, however, to think of it in Ike's terms, as an element of our foreign policy designed to serve America's humanitarian goal of improving the quality of life for millions around the world.

In considering the food for peace program we should take into account the following major benefits at home and abroad:

First, it generates higher income for our farmers, processors, and exporters, and increases tax receipts for the Government.

Second, it increases employment, both rural and nonfarm.

Third, it produces CCC inventories and, along with them, storage income in the private economy.

Fourth, it increases the volume of agriculture commodity processing, especially that of wheat to flour and soybeans to meal and oil.

And, fifth, it improves the health of those who receive the foods and fosters better international relations.

It is well that this program be extended. Two improvements proposed in the bill would enable participation with Communist nations when they qualify under other criteria, and would promote

SENATE CONTINUED DEBATE

ON

S. 1888

Portions of the dairy provisions struck

June 6, 1973

current 48 cents per pound, cotton farmers would receive no Federal payment. However, if the price were to drop to 40 cents per pound, the Government would pay the farmer 3 cents for every pound of cotton he produced. In contrast, under current law, the cotton farmer receives a guaranteed 15 cents per pound in addition to whatever price he gets from the market.

Thus, the concept of target prices promises to move us closer to a situation where the farmer depends more on the marketplace for his livelihood and less on the taxpayer and the Federal Government. At the same time, it assures the consumer an adequate supply of food and fiber by providing an incentive for the farmer to produce ample supplies even if the market price drops below his cost of production.

It is interesting to note that the Consumer Federation of America—composed of more than 200 consumer organizations—has endorsed the farm bill that is before the Senate today. It has even dubbed it "one of the most important pieces of consumer legislation this year." Commenting on the target price mechanism, the CFA said,

If market prices are low, the consumer saves at the supermarket and if food prices are high, the taxpayer pays nothing for the farm program.

In short, the new bill would eliminate the current untenable situation which finds the consumer paying twice for his food: Once in the form of high food prices at the supermarket and again in the form of taxes to support the farm program. Mr. Cranston

Although the target pricing mechanism is new, S. 1888 essentially provides for a 5-year extension of current farm programs. The class I base plan for milk is extended for 5 years. The wool, wheat, feed grains, and cotton programs are modified and extended through the 1978 crop. The food for peace program (Public Law 480) and the food stamp program are both extended for 5 years. Also included in the bill are the beekeeper indemnity program, the dairy indemnity program, the armed services milk program and a new forestry incentive program. The latter is designed to enhance the recreational values and the timber yield from small, privately owned, non-industrial tracts of forest land.

The bill also grants the Secretary of Agriculture new flexibility to assure adequate supplies for expanding markets, both at home and abroad. By expanding the criteria by which he calculates national acreage allotments to cover exports as well as domestic needs, we can hopefully avoid a repetition of the situation we experienced in 1972 where domestic prices skyrocketed, because of drastically expanded farm exports.

Two of the more controversial provisions of S. 1888 are the dairy program and the \$55,000 payment limitation. I would like to comment briefly on these, as I understand they will be subject to amendments proposed from the floor.

The controversial provisions of the dairy program, title II of the bill, are those which, first, permit cooperatives in

an area with a shortage of milk to pay cooperatives in areas with a surplus of milk not to sell milk in their area; second, permit the cooperative to control the base of the individual members; and third, fix the minimum prices which handlers of milk would pay for certain services rendered by the cooperative. Senator HART has announced his intention to offer an amendment which would delete these three provisions from the bill. I intend to support Senator HART's amendment for the following reasons:

First, it has been suggested that these provisions would result in a dramatic increase in the price of milk and cheese for the consumer, and that they would unnecessarily enhance the power of the cooperative over the individual dairyman. I believe these charges should be further studied. I would certainly like to hear the views of consumers and individual dairymen before I vote to incorporate these provisions into law.

Second, Senator HART, chairman of the Senate Antitrust Subcommittee, believes that these provisions raise serious antitrust questions that should be scrutinized thoroughly before the provisions are enacted. The Justice Department, in a May 25, 1973, letter to Senator McGOVERN, a member of the Senate Agriculture Committee, expressed grave reservations about these provisions, suggesting that they may well be in violation of our antitrust laws. Moreover, the Antitrust Division of the Justice Department currently has litigation pending against two dairy cooperatives challenging these very points. The letter states, in part:

The Division's pending lawsuits against two large dairy cooperatives are predicated, in substance, on the proposition that those dairy farmers desiring to market their milk independently and in competition with other dairy farmers have been prevented from doing so by actions of these cooperatives designed to achieve for them a monopoly of the supply of milk. To the extent that the provisions of [S. 1888] would increase the power of these cooperatives over the supply of milk it would run counter to the purpose of those lawsuits to permit free market forces to operate.

At the very least, it seems to me that the prudent course for the Senate to follow with respect to these controversial dairy provisions would be to delete them from the bill now so that both the courts and the legislative process can determine whether they are in violation of our antitrust laws. There simply is no justification for enacting them at this time.

With respect to the payment limitation provision, title I of the bill, I wish to reiterate my reasons for continuing to support the \$55,000 per crop ceiling. I understand that there are several amendments being proposed that would lower this limitation.

First, of all, I disagree with the assumption made by proponents of a lower payment limitation that these payments are going primarily to giant farmers. On March 16, 1972, the U.S. Department of Agriculture released a report entitled, "Farm Payment Limitations," which discussed the probable impact of a \$20,000 limitation. In demonstrating that the difference between \$20,000 and \$55,000 is

not the difference between large and small farming operations, the report cites the following:

First. In the case of corn, the \$20,000 limitation would become effective on a payment base of between 500 and 812 acres.

Second. In the case of wheat with a 60-bushel yield, the limit would become effective on a farm having a wheat allotment of 198 acres at the minimum level of participation; at the maximum level of participation, only 140 acres would be affected.

Third. Cotton with a 500-pound yield would be affected on a farm with a cotton allotment of 267 acres.

Mr. President, that cotton farm is about half the size of the average cotton allotment in California last year: 517 acres.

Furthermore, figures compiled by the USDA in December 1972, reveal the disproportionate impact that a payment limitation reduction would have on a State like California. For example, in 1972, California producers received a total Federal payment of \$93,336,501. Sixty-three percent of this, or \$60,128,375 went to producers receiving between \$20,000 and \$55,000. In contrast, the total Federal payment to Iowa producers was \$308,173,003, with less than 2 percent of this amount being paid to producers in the \$20,000 to \$55,000 category. In other words, the imposition of a \$20,000 payment limitation would have grave economic consequences for California agriculture, but would be insignificant for Iowa's.

Additional data from USDA reveals that a reduction of the limitation of payments from \$55,000 to \$20,000 would affect California cotton farms with 2 million acres of cropland planting approximately two-thirds of California cotton. California cotton farmers are geared to the \$55,000 limitation. They have leased their land, set up cropping patterns, bought equipment, and made arrangements for financing. To reduce the limitation to \$20,000 now would cause severe dislocations in California's agricultural economy. It would certainly eliminate first, the smaller, more marginal farms, thereby contributing toward the pernicious trend toward fewer, larger farms.

Finally, I believe that the better course of action, from the standpoint of the taxpayer, is to adhere to the target pricing mechanism. If market prices for cotton remain where they are today throughout 1974, the Federal Government would not pay California cotton farmers a penny. I believe it is far wiser to provide a means for the farmer to rely on the marketplace for his livelihood, rather than placing arbitrary limitations on the Federal Government's contribution toward a stable, healthy American agriculture.

Mr. President, I know there are numerous complex amendments proposed to this complex bill. I believe that the Senate Agriculture Committee has, by and large, reported out a reasonable, workable bill, and I hope that the Senate will support its basic thrust and concepts in the debate that begins today.

Mr. McGOVERN. Mr. President, I rise

felt that our most important national resource, American agriculture, is entitled to the same treatment.

In addition to legislation for dairy, wool, wheat, feed grains, and cotton, the committee's farm bill deals with other important issues. It extends for 5 years two important food distribution programs, the food for peace program, and the food stamp program.

The food for peace program has been used as an important instrument for promoting good will around the world and it has enabled us to meet important humanitarian objectives while increasing the demand for American farm products.

The food stamp program, a program to which I initiated major changes in 1970, is enabling us to meet our responsibilities to the hungry and needy in this country. At the present spending level of \$2.2 billion, the food stamp program puts additional nutritious food on the tables of lower income consumers. And, if one assumes that the farmer gets 44 cents of the food dollar, it can be estimated that the food stamp program increases farm income by about \$1 billion a year.

This program was extended for 5 years with two amendments which I offered. One of these amendments would prevent the aged, blind, and disabled from losing the benefits of the food stamp program on January 1. The other would permit the use of food stamps by the elderly to purchase foods in community centers.

Thus the committee bill provides a balanced approach to both the production and distribution of America's supply of food and fiber.

No piece of legislation drafted by men is perfect, and this bill can and should undergo some perfecting amendments.

I am cosponsoring with the junior Senator from Minnesota (Mr. HUMPHREY), an amendment which would simplify language in the bill pertaining to cover crops on multiyear set-aside acres. This amendment would improve the waterfowl nesting habitat in rural areas, a clear improvement for the environment and for the sportsman.

With the senior Senator from Minnesota (Mr. MONDALE), I am cosponsoring an amendment which would provide farmers a partial preliminary payment on feed grains, wheat and cotton if, after an initial period in the marketing year, it appears that a payment will be necessary under this plan. Our amendment is entirely consistent with the "target price" concept of S. 1888 and would offer a significant improvement from the standpoint of the farmer and create no objectionable effects either on food prices or on its cost to the Treasury.

The Senator from Iowa (Mr. CLARK) and I will offer an amendment to create a strategic storable commodity reserve in the interest of orderly marketing of wheat and feed grains. This amendment is the logical evolution of a concept which I have advocated for a number of years, but it is especially timely in view of the target price approach which is suggested in S. 1888 and in view of the wide fluctuations in the grain market which have occurred during the past year.

Virtually every general farm organization and commodity organization has contacted me to urge enactment of this bill. The Nation's largest consumer organization, the Consumer Federation of America, has endorsed the principles of this bill. It is extremely significant that a consumer organization has, for the first time in my memory, endorsed a farm bill.

I ask unanimous consent that highlights of the CFA statement be inserted in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection it is so ordered.

(See exhibit 2.)

Mr. McGOVERN. Mr. President, we have a bill that is good for the farmer. We have a bill that is good for the food industry. We have a bill that is good for the consumer. And we have a bill that is good for the taxpayer. I urge its enactment.

EXHIBIT 1

APPRaisal OF THE ADMINISTRATION'S FARM PROPOSAL AS IT AFFECTS SOUTH DAKOTA

This is in response to your request for an economic appraisal of the Administration's farm proposal as it may affect South Dakota.

In his appearance before the Senate Committee on Agriculture and Forestry on March 29, 1973, the Secretary of Agriculture made the following recommendations:

RECOMMENDATIONS

"First, income supplement payments, payments that exceed the amount necessary to achieve set-aside or production adjustment objectives, should be phased out over a 3-year period. The 3-year period would provide an orderly transition and give farmers a specific time in which to make their long-range plans as they shifted their income dependence to growing market demand.

"Set-aside payments for production adjustment would continue as needed to prevent surplus accumulations. However, the mandatory requirement for making payments regardless of the amount of land set-aside, should be modified.

"Second, as the income supplement payments are being phased out at the end of three years, we recommend a shift in the fourth year from the present outdated allotments and bases to a new cropland base. This would broaden the set-aside concept by basing production adjustment, as needed, on total crop acreage rather than limiting the adjustment to historical acreages of certain crops.

"The set-aside requirement in a given year would be a percentage of the cropland base established for each farm. The payment rate per acre would be set at a level needed to get the total set-aside acreage required to meet the production adjustment goal.

"Third, the basic payment limitation of \$55,000 should apply to income supplement payments only during the 3-year phase out. The payment limit . . . as it applies to income supplements . . . should be reduced over the 3-year period in proportion to the reduction in income supplement payments.

"To function, set-aside payments for production adjustment should be excluded from the \$55,000 limitation. In the effort to rent land to adjust production, a payment limit would be counter productive in that acreage where payments are above the \$55,000 level would be arbitrarily forced into production and excluded from the set-aside. We intend that this would be included in the legislation for set-aside production adjustment payment even during the 3-year phase out of income supplements.

"Fourth, with respect to the dairy program, we recommend that the 75 percent of parity minimum price support level be removed to give greater ability to respond to

changing conditions. We also recommend that the 1970 Act provisions, which temporarily suspended the requirement for direct support on butterfat, be made permanent. However, we do not believe that a comparable case can be made for a permanent class I Base Plan.

"Fifth, the Secretary should have discretionary authority to set payments for wool and mohair at levels he determines necessary to meet income and other program objectives.

"There are other provisions of the Act that can be improved from the standpoint of the future of agriculture and in the best interests of the program's operations.

"Though not included in the 1970 Act, the peanut, rice, extra long staple cotton and possibly the tobacco programs, are in need of careful review. These programs should be more in line with the other major commodity programs by allowing adjustments to meet changing conditions and by permitting farmers to capitalize on expanding markets. We are exploring alternatives to the present programs and hope to work with farmers and with this Committee in working out acceptable program changes."

The Secretary also indicated that rigid payments and price guarantees prevent the programs from being as effective as they should be to meet changing conditions and that these guarantees lessen the ability of farmers to make decisions based on changing markets.

Whether these price guarantees refer to loan levels is not made clear in the statement.

However, under the existing law in the case of wheat, the loan level cannot be less than \$1.25 per bushel; in the case of corn, not less than \$1.00 per bushel and other feed grains in relation to corn; the support price for shorn wool shall be 72 cents per pound, grease basis; the support price for mohair shall be 80.2 cents per pound, grease basis; and price supports for the dairy program shall not be less than 75 percent of the parity.

It is apparent, therefore, if the Administration's proposal were accepted that loan levels for commodities covered by the Agricultural Act of 1970 would be at existing levels or lower and that allotments and bases, as well as income supplement payments for feed grains, wheat, and cotton would be phased out completely after three years. It appears further that price support levels for dairy products would be lowered below the minimum 75 percent of parity now in law.

SOUTH DAKOTA AGRICULTURE

According to the United States Department of Agriculture, South Dakota in 1973 had a total of 44,000 farms with an average size of about 1,034 acres per farm (Table 1).

A breakdown of census data shows that about 72 percent of the farms in South Dakota were more than 260 acres in size and about 45 percent were more than 500 acres in size. Census data also show that 96.5 percent of the total land in farms in South Dakota were on those farms of more than 260 acres and that 80 percent of the total land in farms were on those farms in excess of 500 acres in size. The 2.8 percent of the farms in South Dakota of 269 acres or less in size had only 3.48 percent of the total land in farms (Table 2).

Census data also show that 50.8 percent of the farms in South Dakota had gross sales of between \$10 and \$40 thousand per farm. Thirty-nine percent had sales of less than \$10,000 and only 10 percent had sales in excess of \$40,000 per farm (Table 3).

From the census we also find that the 50.8 percent of the farms with sales of between \$10 and \$40 thousand accounted for 40.2 percent of the total value of agricultural products sold in South Dakota. The 39 percent of the farms with sales of less than \$10,000 per

farm accounted for only 8.6 percent of the total value of agricultural products sold. On the other hand, the 10 percent of the farms with sales in excess of \$40,000 per farm accounted for 42.1 percent of the total value of agricultural products sold in South Dakota (Table 4).

South Dakota can be characterized as predominately a livestock state. Of total farm cash receipts from sales of farm products in 1972, all livestock and products accounted for about 81 percent while crops accounted for only about 19 percent. Cattle and calves are the principal commodities with sales in 1972 of about \$693 million. Hogs accounted for about \$188 million and dairy products for about \$74 million.

Total cash receipts from sales of crops in 1972 amounted to \$241.5 million. Of this, feed grains and wheat accounted for about 69 percent of the total, with feed grain sales receipts amounting to \$83.5 million and wheat \$82.5 million. The feed grains referred to here are corn, grain sorghum, and barley, the crops covered by the Act of 1970. Other crops accounting for a substantial portion of sales receipts are oats at \$24.1 million, soybeans \$15.2 million, and flaxseed \$13.3 million (Table 5).

In 1972, about 5.1 million acres of feed grains covered by the Act of 1970 and wheat were harvested in South Dakota. Of these, feed grains, that is corn, grain sorghum and barley, accounted for about 1.2 million acres and wheat 1.9 million acres. The acreage planted to the crops covered by the 1970 Act accounted for about 63 percent of the total acreage planted to all principal crops, excluding hay (Table 5-A).

According to the Statistical Reporting Service of the United States Department of Agriculture, there are now 44,000 farms in South Dakota. Utilizing data available from the Agricultural Stabilization and Conservation Service of the Department, we find that in 1971 43,828 farms participated in the feed grain program and 30,667 farms participated in the wheat program. The 1971 program did not include barley but the 1972 and 1973 programs did. In 1972 about 16,800 farms with barley bases, totaling about 627,000 acres did participate in the program. These are the crops covered by the Agricultural Act of 1970.

Of those farms participating in the program in 1971, about 75 percent had feed grain bases of from 30 to 200 acres, while less than 1 percent had feed grain bases in excess of 500 acres. In the case of wheat, only 31 percent had wheat allotments of from 30 to 200 acres and less than 1/10 of 1 percent had wheat allotments in excess of 500 acres. On the other hand, about 68 percent of the wheat farms had allotments of less than 30 acres (Table 6).

IMPACT OF ADMINISTRATION'S PROPOSAL ON SOUTH DAKOTA'S FARMERS

In 1972 total payments to South Dakota's producers under the feed grains and wheat programs amounted to \$98.4 million. Of this feed grains accounted for \$57.7 million and wheat for \$40.7 million (Table 7).

It is evident, therefore, that the payment requirements of the 1970 Act are extremely important to South Dakota farmers and the loss of this income would have a very severe adverse impact.

FEED GRAINS

The impact of the phase out of program payments and bases for feed grains would have a very severe impact on the almost 44,000 producers who participated in the program. Last year South Dakota produced about 188 million bushels of the feed grains included in the 1970 Act. Although only part of this was marketed as grain, cash receipts from the sale of feed grains amounted to \$83.5 million, and government payments amounted to \$57.7 million. As a result, government payments to producers accounted

for about 41 percent of the total cash income from sales of these feed grain crops.

It is evident that the present feed grain program is of substantial benefit to the farmers of South Dakota and the loss of this payment income would have a substantial adverse effect on corn, sorghum grain, and barley producers.

WHEAT

Wheat is a major crop in South Dakota. Last year almost 1.9 million acres were planted to wheat and production amounted to 53.7 million bushels. Cash receipts from the sale of wheat amounted to \$82.5 million, and payments to wheat producers who participated in the program accounted for \$40.7 million or 33 percent of the total cash income from sales of wheat. Loss of this payment income to the producers of wheat in South Dakota would also be especially difficult to overcome.

SIZE OF PAYMENTS PER FARM

Almost 98 percent of the farms in South Dakota participating in the 1972 feed grain program received payments of less than \$5,000 per farm and over 61 percent received payments of less than \$1,000 per farm.

In wheat, 95 percent of the farms received payments of less than \$5,000 per farm and almost 70 percent received payments of less than \$1,000 per farm (Table 8).

It is evident that South Dakota bases and allotments upon which payments are made are predominately small, but it should also be noted that loss of the payment income to producers in South Dakota on even the largest farms would be extremely difficult to overcome under the existing cost price relationships. For example, the average price received by farmers for corn in South Dakota in 1972 averaged \$1.10 per bushel, for grain sorghum \$1.05 per bushel, for barley 85 cents per bushel, and for wheat \$1.59 per bushel. It should be pointed out that with the exception of corn prices in the year of the 1970 corn blight, the 1972 prices are higher for any of the commodities mentioned than in any recent year (Table 9).

DAIRYING

The dairy industry is very important in South Dakota and in 1972 accounted for cash receipts of about \$74.2 million. Existing price support programs for milk provide for a minimum of 75 percent of parity for manufacturing milk. This year 75 percent of parity amounts to \$5.29 per hundredweight. If the dairy price support laws were changed to lower the level as recommended by the Secretary of Agriculture, it could have an adverse impact on the dairy industry in South Dakota. While at the present time market prices are higher than in recent years, the fact remains that production costs in dairying have increased materially. Last year South Dakota produced about 1.6 billion pounds of milk about 80 percent of which goes into manufacturing purposes. Without some reasonable assurance of nationwide price guarantees, severe dislocations could occur in the dairy industry in South Dakota.

GENERAL

The phasing out of payments for feed grains and wheat and undesirable changes in the dairy program would have a very severe adverse effect on the producers of these commodities. Most, if not all, of the farms in South Dakota can be characterized as a family farm. The economic dislocation and resource adjustments that necessarily would have to take place on these family farms would be of a major magnitude. Farm programs do provide some price and income protection to farmers in that they do generate substantial economic activity in local communities. Therefore, the loss of payments and other assurances now provided farmers would also have a very severe adverse impact on the many local communities which depend very heavily on agriculture for their economic activity.

Furthermore, the phasing out of bases and allotments would have an adverse impact on land values. Farmers have been able to use the increasing value of land as collateral for additional credit which is so sorely needed in today's farm operations. For example, on a nationwide basis in just the last decade the use of credit by farmers has increased by over 250 percent.

There are many estimates of the multiplier effect of farm income. If a multiplier effect of 5 is used, the loss of payments in South Dakota alone could amount to losses of about \$800 million in economic activity.

TABLE 1
SOUTH DAKOTA 1973

Number of farms, 44,000.
Land in farms, 45,500,000 acres.
Average size of farms, 1,034 acres.
Source: SRS, USDA.

TABLE 2.—SOUTH DAKOTA—PERCENTAGE OF FARMS AND PERCENTAGE OF TOTAL LAND IN FARMS IN EACH S.E. CLASS OF FARMS¹

Size of farms (acres)	Percentage of farms	Percentage of total land in farm
1 to 9	4.1	0.0
10 to 49	3.1	0.0
50 to 69	.8	0.1
70 to 99	2.4	0.1
100 to 139	2.0	0.1
140 to 179	7.9	1.2
180 to 219	2.8	0.5
220 to 259	4.7	1.1
260 to 299	27.1	17
300 to 399	23.0	16
1,000 to 1,999	13.0	17
2,000 and over	9.1	52
Total	100.0	99

¹ Census percentage applied to 1973 numbers.

² Does not add to 100 because of rounding.

³ Less than 0.01.

SOUTH DAKOTA¹

TABLE 3.—Percentage of farms by value of products sold

Value of Sales:	Percentage of Farm
Under \$2,500	12
2,500 to 4,999	9
5,000 to 9,999	17
10,000 to 19,999	28
20,000 to 39,999	22
40,000 to 99,999	8
100,000 and over	1

¹ From Census of Agriculture, 1969.

² Does not add to 100 because of rounding.

April 1973.

SOUTH DAKOTA¹

TABLE 4.—Percentage of total value of agricultural production sold by farms by category

Category	Percentage
Value of agricultural products sold by farms having sale of:	
Under \$2,500	12
2,500 to 4,999	9
5,000 to 9,999	17
10,000 to 19,999	28
20,000 to 39,999	22
40,000 to 99,999	8
100,000 and over	1

¹ From Census of Agriculture, 1969.

² Does not add to 100 because of rounding.

April 1973.

SOUTH DAKOTA¹

TABLE 5.—Farm cash receipts from principal farm products, 1972

Crops:	
Included in the 1970 Act:	
Feed Grains	
Wheat	

Other Principal Crops:

Oats	24.1
Soybeans	15.2
Flaxseed	13.3
Hay	10.3
Rye	7.1
Livestock and Products:	
Cattle and calves	692.9
Hogs	188.3
Dairy Products	74.2
Sheep and Lambs	20.7
Eggs	13.4
Turkeys	5.5
All crops	241.5
All livestock and products	1,002.5

Source: Unpublished data, USDA, April 1973.

TABLE 5-A.—SOUTH DAKOTA—AVERAGE HARVESTED AND PRODUCTION OF PRINCIPAL CROPS, 1972

Crops	Acreage harvested	Production
Corn (for grain) (bushels)	2,388,000	152,832,000
Barley (bushels)	576,000	20,736,000
Sorghum grain (bushels)	259,000	12,432,000
Oats (bushels)	2,038,000	99,862,000
Rye (bushels)	100,000	7,570,000
Wheat (bushels)	1,812,000	53,619,000
Soybeans (bushels)	25,000	7,337,000
Flaxseed (bushels)	360,000	4,560,000
All hay (tons)	4,597,000	7,082,000

TABLE 6.—SOUTH DAKOTA—PERCENTAGE OF FARMS PARTICIPATING IN THE 1971 FEED GRAIN AND WHEAT PROGRAMS BY SIZE OF ALLOTMENT OR BASES¹

Size (acres)	Percentage of farms	
	Feed grains	Wheat ²
0.1 to 10	2.5	38.8
10 to 15	2.3	10.6
15 to 30	9.8	18.5
30 to 50	15.9	4.2
50 to 200	58.9	18.8
200 to 500	9.8	11
500 to 1,000	.7	0
1,000 and over	.1	0
Number of farms participating	43,828	30,567

¹ The 1971 program did not include barley while the 1972 and 1973 programs do. In 1972 about 16.8 thousand farms with barley bases totaling about 627,000 acres participated. No frequency distribution as to base sizes available.

² Add to more than 100 percent because of rounding.

³ Less than 0.1.

SOUTH DAKOTA

TABLE 7.—GOVERNMENT PAYMENTS ON PROGRAM CROPS, 1972

Commodity	Dollars
Feed grains*	57,718,300
Wheat	40,721,590
Total	98,439,890

*Includes corn, sorghum grain, and barley, April 1973.

TABLE 8.—SOUTH DAKOTA—PROGRAM PAYMENTS 1972. PERCENTAGE OF FARMS RECEIVING PAYMENTS BY SIZE OF PAYMENTS

Size of payment (class)	Percentage of farms in each class	
	Feed grains	Wheat
0 to \$100	7.37	22.49
\$100 to \$500	32.18	32.63
\$500 to \$1,000	21.51	14.44
\$1,000 to \$2,000	22.40	13.43
\$2,000 to \$5,000	14.07	12.01
\$5,000 to \$7,500	1.39	2.65
\$7,500 to \$10,000	0.41	1.06
\$10,000 to \$12,500	.17	.79
\$12,500 to \$20,000	.05	.23
\$20,000 to \$30,000	.02	.15
\$30,000 to \$35,000	(1)	.02
\$35,000 to \$40,000	(1)	.01
\$40,000 to \$45,000	(1)	.01
\$45,000 to \$50,000	(1)	.03
\$50,000 to \$55,000	(1)	(1)
\$55,000 to \$55,000.01	(1)	(1)
\$55,000.01 and over	(1)	(1)

¹ Less than 0.005.

² None.

CONGRESSIONAL RECORD—SENATE

TABLE 9.—SOUTH DAKOTA—AVERAGE PRICES RECEIVED BY FARMERS

(In dollars per bushel)

	Year				
	1968	1969	1970	1971	1972
Corn	1.05	1.03	1.21	1.05	1.10
Grain sorghum	.86	.91	1.03	.90	1.05
Barley	.81	.79	.84	.80	.85
Wheat (all)	1.26	1.36	1.44	1.31	1.59
Oats	.54	.55	.57	.54	.61
Soybean	2.40	2.26	2.72	3.04	3.40
Flaxseed	2.80	2.68	2.44	2.43	2.80
Rye	.87	.91	.92	.81	.80

Source: SRS, USDA.

EXHIBIT 2

CONSUMER FEDERATION OF AMERICA,
Washington, D.C., May 25, 1973.

FARM BILL: CONSUMER ISSUE OF THE WEEK

The farm bill may be one of the most important pieces of consumer legislation this year. Even the name has been changed to reflect the consumer protection aspects of the bill.

The agriculture and Consumer Protection Act of 1973 serves consumers in several ways. It insures that farmers will produce abundant supplies because they are assured a certain price for wheat, feed grains and cotton. These "target prices" are set at a level which will assure the farmer that even if he produces more than enough of these commodities, his income will at least meet his cost of production. The "target prices" represent about 70% of parity, or 70% of fair return to the farmer in comparison to returns in other industries for similar investments of capital and labor.

The bill attempts to strike a balance between consumer's concern with high food prices and the farmer's need for adequate income. It sets a "target price" for the farmer. If the market price falls below the "target price", the government will make up the difference through a direct payment to the farmer. For instance, the "target price" for wheat is \$2.28 per bu. If the market price averages out to be only \$2.20, the government would pay the farmer the 8¢ difference. On the other hand, if the average market price turns out to be \$2.30, there would be no federal payment at all. If market prices are low, the consumer saves at the supermarket and if food prices are high, the taxpayer pays nothing for farm programs.

The legislation's potential effect on meat prices may be the best example of the bill's importance to consumers. One of the reasons for high meat prices is the increased cost of feed grains to ranchers and feed lot operators. Their price is high because feed grains are in relatively short supply. If the new farm bill were in effect this year, the USDA could call for greatly increased production of feed grains to satisfy the demand and elevate the shortage. The farmer, knowing that there would be some protection from the economic disaster of surpluses, would be inclined to grow all the feed grain he was asked to grow. His increased production would come closer to balancing supply with demand, thereby lowering the cattlemen's cost of feed grain and his overall cost of production. That lower cost would be reflected in lower meat prices on the grocery shelf.

At the same time, CFA is mindful of the dairy provisions in the bill. We do not support monopoly—in food or any other segment of our economy. Senator Philip A. Hart will introduce amendments that will keep the power of the milk combines from monopolizing the industry. We urge your support for the Hart amendment.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its

leading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 1820. An act to direct the Administrator of General Services to release certain conditions with respect to certain real property conveyed to the State of Arkansas by the United States, and for other purposes.

H.R. 1965. An act for the relief of Mrs. Barr;

H.R. 2212. An act for the relief of Mrs. Nguyen Thi Lee Finland and Susan Finland;

H.R. 2315. An act for the relief of Mrs. Purita Paningbatan Bohannon;

H.R. 2769. An act for the relief of William A. Karsteter;

H.R. 3620. An act to establish the Great Dismal Swamp National Wildlife Refuge;

H.R. 3751. An act for the relief of James E. Fry, Junior, and Margaret E. Fry;

H.R. 4175. An act for the relief of Manuel H. Silva;

H.R. 4443. An act for the relief of Ronald K. Downie;

H.R. 4448. An act for the relief of First Lieutenant John P. Dunn, Army of the United States, retired;

H.R. 4704. An act for the relief of certain former employees of the Securities and Exchange Commission; and

H.R. 5106. An act for the relief of Flora Datiles Tabayo.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred, as indicated:

H.R. 1820. An act to direct the Administrator of General Services to release certain conditions with respect to certain real property conveyed to the State of Arkansas by the United States, and for other purposes.

H.R. 3620. An act to establish the Great Dismal Swamp National Wildlife Refuge. Referred to the Committee on Commerce.

H.R. 1965. An act for the relief of Theodore Barr;

H.R. 2212. An act for the relief of Mrs. Nguyen Thi Le Finland and Susan Finland;

H.R. 2315. An act for the relief of Mrs. Purita Paningbatan Bohannon;

H.R. 2769. An act for the relief of William A. Karsteter;

H.R. 3751. An act for the relief of James E. Fry, Junior, and Margaret E. Fry;

H.R. 4175. An act for the relief of Manuel H. Silva;

H.R. 4443. An act for the relief of Ronald K. Downie;

H.R. 4448. An act for the relief of First Lieutenant John P. Dunn, Army of the United States, retired;

H.R. 4704. An act for the relief of certain former employees of the Securities and Exchange Commission; and

H.R. 5106. An act for the relief of Flora Datiles Tabayo. Referred to the Committee on the Judiciary.

AGRICULTURE AND CONSUMER PROTECTION ACT OF 1973

The Senate continued with the consideration of the bill (S. 1883) to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices.

The PRESIDING OFFICER. The bill is open to further amendment.

AMENDMENT NO. 158

Mr. HART. Mr. President, I call up my amendment No. 158, and ask for its immediate consideration.

THE PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 2, beginning with line 6, strike out through line 2 on page 8 and insert in lieu thereof the following:

(A) amending section 201(e) by striking out '1973' and inserting '1978', and by striking out '1976' and inserting '1981', and

(B) adding at the end thereof the following:

"(1) The Agricultural Adjustment Act as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended by:."

On page 8, line 3, strike "(4)" and insert "(1)".

On page 8, line 15, strike "(5)" and insert "(2)".

MR. HART. Mr. President, this amendment would eliminate from the bill, by striking, the sections which begin on line 5, page 2, and extend through the top of page 8, line 2.

It is the contention of the Senator from Pennsylvania (Mr. SCOTT), who has joined me on the amendment, and myself that very serious anticompetitive implications are involved in these proposals.

The amendment does not reach the provisions dealing with support prices, import quotas, the matter of the indemnification for loss of milk and cows, or class 1 base plan authority.

I think that by this time most of us are familiar with the contest that underlies the offering of the amendment. Lest I forget, I want, if I can, at the outset to make clear that if any suggestion has been made or voiced that the language which we propose to strike was the result of sly action by anyone, a meeting in the middle of the night, or worse, that suggestion is wrong. Quite the contrary, on an early day—and my impression is that it was the second day—of the hearings of the Committee on Agriculture and Forestry, witnesses from the National Milk Producers' Cooperative appeared.

MR. ROBERT C. BYRD. Mr. President, I apologize to the Senator for interrupting his speech, but may we have order?

THE PRESIDING OFFICER. The Senate will be in order. The Senator is entitled to be heard.

MR. HART. At the very opening, I think the second day of the hearings, witnesses appeared, including one from Michigan, a very good friend of mine who is the president of the National Milk Producers' Federation, Glenn Lake, accompanied by Patrick B. Healy, the secretary of the National Milk Producers' Federation at that time—mind you, this is an open hearing—and those two gentlemen described in understandable detail the reasons why they believed the committee should be persuaded to adopt the amendments that they were offering.

It was an open, as wholesome, and as correct a method of proceeding as one could imagine. So if I say nothing else, I want to make sure that those who offered these amendments, those who in committee supported them, and those who on the floor may support them, are acting in a wholly appropriate and proper way.

Having said that, I suggest that notwithstanding the fact that, in that early day of the hearings, these proposals were made a part of the record, in the follow-

ing days I believe there was no reaction to them. We can wish as we might that other national farm groups who did testify had voiced to the committee the concerns which they now voice to many of us. I wish very much that the Department of Justice, when those hearings were in process, had been alert to the proposals that had been filed with the committee by the National Milk Producers Federation. But wishing will not make it so. Those spokesmen—not alone governmental, as in the case of the Department of Justice, but also the Farm Bureau, the NFO, and some local branches of the Farmers Union, as well as the National Consumers Congress and other consumer groups—did not develop for the committee in the record the concerns that they now voice.

Those concerns are real, and they are genuine. Under the parliamentary situation that confronts us, the only way that the committee can have an opportunity to get the reactions of people who have legitimate concerns is for us to strike the section.

MR. JAVITS. Mr. President, will the Senator yield at that point?

MR. HART. I yield.

MR. JAVITS. Would that be the answer for Senators like myself, who represent a dairy State where the cooperative milk producers are divided on the subject?

Can the Senator give us the assurance, first, that by striking the section we are not deciding the issue; second, that there will be prompt hearings, and the hearings will not be just for the record to show that we had hearings, but a serious inquiry to try to come to a conclusion; third, that there is no a priori decision by striking the section that we might not recommend these very things and perhaps even the Agricultural Committee itself might not bring them in at a later time when we are able—the Senator may not agree—to cast light on the facts. In other words, the essence of it is that we should not legislate in the dark.

MR. HART. Of course the Senator from Michigan cannot assure the Senator from New York that that will cure the problem for anyone who comes from a State where the dairy income is a significant factor in the farm economy. I also happen to come from a State which is a dairy producing State. \$300 million a year in dairy products comes from Michigan. But it will allay the fears, at least, and permit those divided in our States to get their hearing.

Second, while none of us can speak for the Committee on Agriculture and Forestry, it is my hope that the committee would be in a position to conduct hearings, at which time those who have been privately voicing to us their concerns, including the Department of Justice, could have the opportunity to fully express their views. If that occurred, we would then have a record on which the committee could report back to us its conclusions and we could act in a much more informed and responsible fashion, one that will give greater confidence to the people of this country that we are legislating on the record, on what the facts are, and nothing else.

Finally, I must confess, as a sort of knee-jerk antitrust advocate, that I have very strong feelings that some of these provisions are bad. But I have no reason to believe that the committee, and later the Senate, would not be able to make its own independent judgment based on the testimony that will be developed.

Yes, I must say to the Senator from New York, I cannot reassure him with respect to the holding of hearings but I would accept his vote to strike as a procedural and not as a substantive judgment on the issue.

MR. JAVITS. I thank the Senator from Michigan very much.

MR. HART. Mr. President, the provisions which I seek to strike trouble me for several reasons:

First. They would produce higher consumer prices for milk and dairy products.

Second. They endanger some or all of 18 antitrust suits pending in Federal courts—2 brought by the Government—by giving a congressional blessing to practices being challenged in certain of those suits.

Third. They give even more power to three enormous cooperatives which already in many markets control 90 percent of total milk distributed and have more than 75,000 members.

But, my direct goal today is to strike the language so that full hearings may be held on these highly controversial proposals. Up to now, groups very much interested and affected by this language have not had the opportunity to make their views known in give-and-take hearings.

Support for this amendment is rather strong. Its proponents include the Farm Bureau, the National Farmers Organization—and various local branches of the National Farmers Union—the National Consumers Congress, and Ralph Nader's consumer groups.

The amendment has also been supported by the National Milk Industry Foundation, whose members include large national dairies such as Foremost, Carnation, Pet, Beatrice Foods, as well as smaller local dairies.

It does not have the support—in truth—of the three major co-ops which would enjoy much more power under the provisions the amendment seeks to strike.

These three cooperatives are Associated Milk Producers, Inc.—AMPI—Mid-American Dairymen, Inc.—Mid-Am—and Dairymen, Inc.—DI. As chairman of the Antitrust Subcommittee, I recognize the enormous value of cooperatives, and I believe that regrettable excesses on the part of a few shouldn't color our judgment. However, the growth of power of these cooperatives deserves a thoughtful hearing before we add more power.

For the facts are that through merger, consolidation, and acquisition, an estimated 100 cooperative organizations in the last 5 years have been reduced to the three co-ops.

The provisions I seek to strike would not only increase the power these cooperatives have over their market but also would increase their control over their farmer-members. This is control which obviously the farmers' groups

which support this amendment do not want.

Let me make it clear that the motion to strike is limited. I would not delete provisions dealing with import quotas, support prices, authority for class I base plans, and indemnification for loss of milk and cows. I understand that some other amendments may be offered to strike some of those provisions.

But it should be equally clear that while the provisions I move to strike are difficult to understand, I have been assured by responsible dairy experts that my interpretation of their impact is accurate.

Therefore, it seems to me that before we enact these potentially dangerous provisions into law, the least we should do is give the opponents an opportunity to express their views in public hearings.

This is the basic intent of my motion to strike.

I close, then, as I opened. The Agricultural Committee and the Milk Producers Federation have acted in a completely normal fashion. If there is fault to be found, we might suggest that it is in those who should have been on notice that there was before the committee these specific proposals, and they did not respond.

But we should not ourselves make the same mistake. We are on notice that there is deep controversy with respect to the implications of these things and we should strike, hopefully, so that we should be in a position, with a record later, to make a judgment.

Mr. AIKEN. Mr. President, will the Senator from Michigan yield?

Mr. HART. I yield.

Mr. AIKEN. Did I correctly understand the Senator from Michigan to say that there would be reasonably prompt hearings on the purpose of the Senator's amendment which naturally would be of interest to the Judiciary Committee?

Mr. HART. No. I would anticipate that the hearings would be conducted by the committee of which the distinguished Senator from Vermont is formerly a distinguished ranking member, the Committee on Agriculture and Forestry.

Mr. AIKEN. The Senator from Michigan is not a member of that committee so he would not be in a position to assure reasonably prompt hearings by that committee.

Mr. HART. No. I think I made that clear. We are not speaking to that point.

Mr. AIKEN. In my opinion, part of the Senator's amendment should be approved. There are one or two other provisions in it which could conceivably be of benefit to producers without doing any harm to anyone. I find that the agricultural associations have been of little help, because they seem to be split as nearly down the middle as it is possible to get that way. Consequently, I have been waiting to hear the arguments before making up my mind whether to vote for the Senator's amendment.

There is one part of his amendment which I would remove—on page 4 from line 10 down to page 21 on line 6. That could probably be helpful although there are two provisions in there which undoubtedly would not be of benefit to the producer—that is on page 5, line 10, be-

ginning with the word "the." That paragraph we could well do without, I think. On page 6, item (a), line 3, down through line 6, we could do without. Also there could be changes in section—paragraph (d) down to line 14 and 15. The rest of what the Senator proposes we would probably be better off without.

These amendments came before the committee. However, when I called the cooperatives in the Northeast to find out what their position was, they had just barely received them from the Milk Producers Federation that morning, and even at that time we were marking up the bill and finished it the next day.

Some say that these big cooperatives are acting like the big oil companies, trying to put the independents out of business. That may be true, because that is a human trait, to seek a monopoly. So, it is impossible to please all producer associations or all consumer associations regardless of how we vote on the Hart amendment.

But I will say this, that the rest of the bill we have for dairy products seems to be very good, indeed. An 80 percent support price, which I believe is the market price now. It is almost exactly 80 percent. We do need a greater production of milk. There has to be a greater incentive to produce it. Up in the Northeast, we are producing a little less milk than last year, although we do produce more milk for table use, which is Class 1, which raises the blend price. I have not had so much complaint on the price. I have renewed complaints about dairy feed which went up \$5 a ton in New England last week. I do not know how much it has gone up this week. Feed dealers have done the best they could to hold the price down to within reason.

So I will listen to what may be said on the Hart amendment, but I have to say that part of it is very good in my book but part of it, probably we would be better off if we leave the bill as it is.

I would gladly vote for it if we could leave in the sections I referred to, which apparently is satisfactory to producers generally. They are to be found on page 4, beginning at line 10, down to the word "order" on page 5, line 10; then striking out, as the Hart amendment proposes, the sentence beginning "The location," down through line 16; then picking up again from line 17, page 5, to line 2 on page 6; then striking out lines 3, 4, 5, and 6—I know this is a little difficult to follow; then leaving in all from line 7, paragraph (b), through line 20.

In lines 14 and 15, however, it would be well to strike out the words "but not limited to, providing milk assembly, refrigeration, storage."

I know that is a little complicated, and if I speak any further, it will only complicate the situation still more.

As I say, two-thirds of the Hart amendment is good. The other third we would be better off without.

Mr. HART. Mr. President, the Senator need not apologize for suggesting a rather complicated list of revisions. The hard truth is that we are dealing, I suppose, with one of the most complicated arrangements that government yet has conceived—the whole milk marketing order concept.

I can respond only this way: There are price-fixing elements—

Mr. AIKEN. If the Senator will permit me to add, this whole section of what he would strike out is permissive and would require a two-thirds vote to put it into effect. Labor only requires a 51-percent vote to put their ideas into effect, but agriculture needs a two-thirds vote.

One thing I know is that some of the cooperatives and some of the private corporations—and we have one in New England that is very strong—are always worried about the antitrust laws. I believe that one cooperative in the Northeast handles 66 percent of the milk which is produced and sold in that area. How much more they would have to do before the Department of Justice landed on them with both feet, I do not know, but I do know that they are apprehensive about it.

As a matter of fact, when we talk about an expert in the marketing of milk, they are very scarce in this country. Few of us know the entire procedure, but we do know that there is a division of sentiment at this time.

I am sure that much of the Senator's proposed amendment would be good. I am not so sure that the rest of it would be.

Mr. HART. Mr. President, I get some comfort from the fact that the Senator from Vermont has indicated that there are a few experts in the field, but I would be the first to identify myself as not one of that rare breed.

To the extent that I have been able to analyze and have had this bill analyzed for me, I am convinced that there are anticompetitive aspects in each of the lines we propose to strike.

I do realize that a two-thirds vote is required in the acceptance of a plan which would incorporate these features. I am told, however, that unlike the trade union movement, it is not a one-man, one-vote proposition in all cases; that there is block voting, which perhaps distinguishes it from the treatment we provide with respect to collective bargaining arrangements.

The Senator from Michigan would hope that the Senator from Vermont could support the amendment on the basis that two-thirds of it makes sense. Generally, around here we are lucky when we can have a conviction that 51 percent of the vote makes sense. I think I should leave it at that.

I reserve the remainder of my time.

Mr. TALMADGE. I yield myself such time as I may require.

Mr. President, this amendment would strike out most of the provisions of the bill designed to enable the Secretary of Agriculture to facilitate the operation of milk marketing orders. The purpose of the provisions which would be stricken is to eliminate waste and inequities and thereby provide fair prices to producers and consumers. More specifically, the amendment of the Senator from Michigan would strike out those provisions of the bill which:

First. Permit a milk marketing order to provide for allocation of members' bases to their cooperatives;

Second. Permit an order to provide that marketing history represented by a,

base held under a Federal, State, or co-operative base plan shall count as history in fixing bases under that order;

Third. Permit an order to provide for the orderly phasing out of Federal, State, or cooperative base plans;

Fourth. Make it clear that an order may provide for payments from the pool to producers for their excess milk of amounts less than the lowest class price;

Fifth. Permit an order to provide for minimum payments to producers and their associations for services performed for handlers;

Sixth. Permit an order for manufacturing milk which does not fix prices to provide for price posting;

Seventh. Permit an order, where appropriate to direct the flow of milk, to provide for the use of different location differentials in computing the minimum class prices paid by handlers and in computing pool payments to producers;

Eighth. Permit an order to provide for payments from the pool to cooperatives for services of marketwide benefit; and

Ninth. Permit an order to provide for standby reserve pools, which would be supported by payments from one or more orders and would supply milk when needed to such order areas.

IN GENERAL

First, let me describe the general purpose of the provisions which the amendment would strike.

All of them merely provide authority which the Secretary may use if he finds after open hearings that their inclusion in an order will carry out the objectives of the act. The principal objectives of the act are twofold, first that the achievement of prices that are fair to farmers and consumers, and second, keeping prices from rising above that fair price. The particular provisions we have before us are largely intended to eliminate economic waste, with the savings thereby achieved being apportioned between farmer and consumer in appropriate fashion. The two guidelines I have mentioned are definite, rigid, and have been in effect a long time. They are contained in sections 2(1) and 2(2) of the Agricultural Adjustment Act of 1933. Therefore, any assertion that the new provisions will result in anything but fair prices fails to recognize that they cannot be put into effect if that is the expected result, and they cannot remain in effect if that is the actual result.

Further, none of these provisions can be included in an order unless they are approved by two-thirds of the producers subject to them. In the case of class I base plan provisions, the producers must vote individually. Any contention that they are inimical to the interest of producers or consumers is, therefore, inconsistent with the plain language of the law and the bill.

It has also been suggested that there has been no opportunity for hearings. That argument is completely without foundation for two reasons:

First, there has been extensive opportunity for hearings, public notice having been given on February 7, and extensive hearing having been held during the period February 27 through April 27 in Washington and throughout the country.

Mr. President, I ask unanimous consent to insert in the Record at this point a committee staff analysis of a Department of Justice letter of May 25. The first numbered paragraph of this analysis discusses the opportunity for hearings in depth.

There being no objection, the analysis was ordered to be printed in the Record, as follows:

SENATE COMMITTEE ON AGRICULTURE AND FORESTRY

STAFF MEMORANDUM

Analysis of the Department of Justice letter dated May 25, 1973, from Assistant Attorney General Thomas E. Kauper, to Senator McGovern

The letter contains the following inaccurate or misleading statements:

(1) *Statement:* "Our concern is especially acute because no hearings have been held on this specific legislative proposal."

Facts: On February 7, at page S. 2262 of the Congressional Record, it was announced that hearings would be held on the farm program and other issues on February 27, 28, March 1, 2, 8, and 9. It was further announced that the Committee would use S. 517 as a base for the hearings. A copy of the announcement is attached.

Paragraph (2) of section 1 of S. 517 dealt with milk marketing orders by extending the authority for Class I base plans and other provisions. The advisability of extending or amending these provisions was therefore clearly a purpose of the hearings.

Hearings were held in Washington on February 27 and 28, and March 1, 2, 8, 9, 13, 14, and 29. On February 28, beginning at page 119 of the Committee's hearings, representatives of the National Milk Producers Federation testified and proposed a number of milk marketing order amendments. On March 9, Mr. Albert J. Ortega, Jr., appearing on behalf of the members of Central America Cooperative Federation, Inc., testified, at page 487, and proposed similar amendments to paragraph (2) of section 1 of S. 517. Digests were made of the testimony of witnesses at the hearings and the digests which relate to the testimony of the National Milk Producers Federation and the Central America Cooperative Federation, Inc. are attached. These digests were available to the general public, and on March 27 the Chairman of the Committee sent them to the Secretary of Agriculture asking him to comment on the major recommendations made by the witnesses in his statement when he appeared on March 29. A copy of the Chairman's letter is attached. Further hearings were held on April 6 at Chickasha, Oklahoma; on April 7 at Ardmore, Oklahoma; on April 18 at Montgomery, Alabama; on April 19 at Ames, Iowa, and Waynesboro and Macon, Georgia; on April 20 at Tifton, Georgia; and on April 27 at Huron, South Dakota. Prior to the first executive session of the Committee on the bill, the Committee staff worked with the proponents of the milk marketing order amendments to make technical corrections in the amendments and eliminate purely technical differences between the two sets of amendments. These corrected amendments which did not substantially differ from those proposed on February 27 and March 9 were made generally available to the public. The Committee staff also prepared a list of amendments proposed by various persons to S. 517 which included a description of the revised dairy amendments, and shortly thereafter prepared a title-by-title explanation of the Agricultural Act of 1970 and the specific amendments to each title which had been proposed at the hearings, including the revised milk marketing order amendments.

The Committee met in executive session

on the bill May 1, 2, 3, 4, 8, and 9. On May 7, Committee Print No. 1 was issued showing matters tentatively agreed to by the Committee and additional matters which had not been agreed to but had been suggested for inclusion. The milk marketing order amendments finally agreed to were generally included in this print. All of the documents mentioned herein were made available to the public.

(2) *Statement:* "In this connection, the Department of Justice requested that its views be heard before this legislation was reported out by the Committee, but was not afforded an opportunity to do so."

Facts: The Department of Justice made no request until two weeks after the Committee had ordered the bill reported. The Committee, when it had ordered the bill reported, had given the Committee staff two weeks, until May 23, for final preparation of the report. On May 23 a representative of the Department of Justice advised a member of the Committee staff that the Department of Justice was writing a letter to Senator McGovern about the dairy provisions which would be delivered on May 24 and suggested that reporting of the bill be delayed until that letter had been written. The Chairman of the Committee was advised of this communication and, for the reasons stated in his letter to Senator Hart, decided that the reporting of the bill should not be delayed and the report was filed on May 23 in accordance with the direction from the Committee of May 9.

(3) *Statement:* "As drafted, the provision implies, but does not explicitly state, that if the producer chooses to terminate his membership in the cooperative his base will be returned to him."

Fact: On page 2, lines 18 and 19, the bill states that producers' bases will be allocated to their cooperatives "while they are members thereof". The quoted language was put in this provision specifically for the purpose of making it clear that the allocation of producers' bases to their cooperatives would be only for the period "while they are members thereof". If this clear language is not sufficiently explicit, the following language (which was not in the May 7 committee print) appears at page 2, line 19 of the reported bill: "In the event a producer withdraws from membership in a cooperative marketing association the base allocated to that producer shall take into consideration his total marketings of milk, including milk delivered by his association to persons not fully regulated by the order, but may reflect his pro rata share of any reduction in the total of bases allocated to such associations". The language just quoted should also answer the statement in the Department of Justice letter that it is not clear how the return of the base to the producer will be accomplished. The Committee report explains this provision at page 27 as follows: "The amendment also provides that an individual member on leaving the cooperative would take his history of marketings with him, irrespective of the market to which the cooperative might have delivered his milk (except for his pro rata share of any reduction in the cooperative's base as a result of transferring milk to other markets)."

The Department of Justice appears to favor the return of the base to the producer when he leaves the cooperative. If that is the case, the Department should favor this provision of the bill because its purpose is to protect the producer's rights. Thus under existing law if the cooperative delivers the base milk of one of its' members off the order market for a specified period of time, that member could lose his entire base. Under the bill if the cooperative delivered the same producers' base milk off the order market for the same period, there would probably be no loss of base at all, but if there were, the loss would be sustained by all of

the members of the cooperative proportionately. Thus the particular producer would probably lose no base under the provisions of the bill, but if he did the loss would be only the same proportionate amount of base as other members and the balance of his base would be protected. For example, let us suppose that cooperative members A and B each have a base of 1000 pounds and each delivers 2000 pounds to the cooperative. Under existing law if the cooperative delivers all of A's milk off the market for a certain period A will lose base. However, if under existing law the cooperative delivers A's 1000 pounds of excess and B's 1000 pounds of excess off the market for the same period, there may be no loss of base for either A or B. The latter manner of delivery may, however, be more costly since it may involve extra trucking, accounting, and other costs, than would be the case if the truck making the off market delivery need stop only at A's farm and pick up all of his 2000 pounds. These extra wasteful, and uneconomic costs are of course a part of the cost of getting milk to the consumer, and in one way or another must be reflected in the price to the consumer.

It is the purpose of this provision of the bill to avoid this economic waste by permitting the cooperative to pick up all of A's milk in this situation without any loss of A's base.

The only way in which any base would be lost under the bill in this situation would be if the total amount of milk delivered by the cooperative on the market was less than the total amount of base milk delivered to it by its producers. The entire objective of this provision is to provide for more economic and orderly marketing by permitting the cooperative without loss of any base whatsoever to deliver the milk where it is most needed. Milk which is excess to the needs of the order market would not be required to pass through the order market but could be most efficiently delivered where it was needed without loss of base and without the waste that would be involved if such diversion required the truck to pick up the excess production of a number of farmers rather than the total production of an individual farmer.

(4) *Statement:* "On the contrary, its only immediately foreseeable effect would be as a wedge to open the door to eventual ownership of base by cooperatives, a situation which clearly would create possibilities for abuse".

Facts: This is neither an intended nor foreseeable effect, nor does the Department of Justice in any way indicate how it could be an effect of any provision of the bill.

(5) *Statement:* "Clause (vii) is also unclear both in language and intent. It seems to provide for integration of base plans set up under federal marketing orders and those of cooperatives which may or may not be administered in the same manner and with the same objectives as an order plan. Particularly troublesome to us is the language which would authorize incorporating a cooperative's base plan into the order, which plan would then apply to all members of the market pool, whether or not they were members of the cooperative."

Facts: This provision quite clearly provides a mechanism which the history of marketings upon which a producer's base under a Federal, State, or cooperative base plan may be used in computing his base under a new Federal order Class I base plan. It does no more than permit the same treatment that Congress found equitable in the case of updating Federal orders bases, when it provided in section 8c(5) of the marketing order law that bases should be allocated on the basis of marketings—"during a representative period of one to three years, which will be automatically updated each year. In

the event a producer holding a base allocated under this clause (f) shall reduce his marketings, such reduction shall not adversely affect his history of production and marketing for the determination of future bases, or future updating of bases, except that an order may provide that, if a producer reduces his marketings below his base allocation in any one or more use classifications designated in the order, the amount of any such reduction shall be taken into account in determining future bases, or future updating of bases."

Thus, the purpose of a base plan is to discourage producers from producing excess milk that is not needed (the production and disposition of which adds to the total cost which must be paid by the consumer). Consequently, producers who reduce their production to their base should not be penalized. For example, Producer A with a history during the three year representative period of marketing 2000 pounds of milk might receive a base of 1000 pounds. If he reduces his marketings to his base, he will be treated as well when bases are updated the following year as though he had continued to produce 2000 pounds. That is what the law quoted above now provides. Now let us suppose that after the order to which Producer A is subject has been in effect for three years it is expanded to include the following additional producers:

(1) Producer B, who has exactly the same history of marketing as Producer A, but reduced his marketings from 2000 pounds to 1000 pounds under a State Class I base plan;

(2) Producer C, who has exactly the same history of marketings as Producer A, but reduced his marketings from 2000 pounds to 1000 pounds under a cooperative Class I base plan;

(3) Producer D who has not been subject to a base plan and has continued to market 2000 pounds.

To give Producer D twice as big a base as Producer A, or to give Producer A and D bases twice as large as those given to Producers B and C would appear to be discriminatory and inequitable. If it is, the bill would permit equity to be done by permitting all four of these producers to be given equal bases.

(6) *Statement:* "Clause (vii) also would permit the Secretary of Agriculture to set prices for over-base milk in a manner different from prices for Class I and Class II milk. Where there are standards for judging the appropriateness of the prices this provision seems to give the Secretary power without regard to specifically stated standards to adjust the price of over-base milk. We think there should at least be some benchmarks in this statute to guide the Secretary's actions under this provision."

Facts: The statutory standards are identical and are contained principally in sections 2 and 8c (18) of the Agricultural Adjustment Act. In each case the statute is concerned with the blend of class prices, or the blend of base and excess prices, to farmers as shown by the following language of section 2(1) of the law:

"Sec. 2. It is hereby declared to be the policy of Congress—

(1) Through the exercise of powers conferred upon the Secretary of Agriculture under this title, to establish and maintain such orderly marketing conditions for agricultural commodities in interstate commerce as will establish, as the prices to farmers, parity prices as defined by section 301(a)(1) of the Agricultural Adjustment Act of 1938."

(7) *Statement:* "First, setting a minimum price for services amounts to legalized price fixing in an area where competitive factors should operate to set the price. Whatever the justification that may exist for existing federal regulation of milk marketing—most conspicuously in the form of establishing

minimum prices for milk—there is no apparent reason for extending this regulation to the price of services."

Facts: It is correct that setting minimum prices for services amounts to legalized price fixing, just as setting minimum prices for milk as now authorized by the law is legalized price fixing. It is not correct that there is no apparent reason for extending this regulation to the price of services. The clear and obvious reason is this, that where milk and services are sold as a unit, it is not possible to fix the price of one without also fixing the price of the other. For example, the handler may want milk containing 2 percent butterfat instead of the normal 3.5 to 3.7 percent butterfat. In order to deliver 2 percent milk the cooperative must separate out a part of the butterfat at some cost to itself. If competition forces the cooperative to sell 2 percent milk for the minimum class price, with no payment for the service, the effect is the same as giving a discount below the minimum price prescribed under the law.

(8) *Statement:* "Second, non-members of cooperatives, who do not get the benefit of the services performed by the cooperative, can be required to pay for these services.

Facts: Pool funds can be used only to pay for services of "market-wide benefit" (See bill, page 6, line 1). They cannot be used for services which are not of benefit to every producer in the market.

(9) *Statement:* "The provision, as proposed, specifically states that voluntary agreements among cooperative marketing associations providing for such programs shall not be precluded unless they conflict with a marketing order made effective under these provisions. We believe that this language is overly vague and susceptible of abuse in the administration of a reserve supply program. It might also give rise to an argument, in the Antitrust Division's presently pending lawsuits, that existing arrangements have been validated by Congress notwithstanding that they may have been abused by their present managers."

Facts: This provision is not vague. It simply disclaims any intention to affect voluntary agreements not in conflict with a marketing order. If such an agreement is legal this would not make it illegal. If it is illegal, this would not make it legal. Any argument that existing arrangements had been validated would be far-fetched and without merit.

The remainder of the letter largely relates to general background information and other general matters not directly related to the provisions of the bill. Some that may seem to relate to the bill are as follows:

(1) *Statement:* "The Division's pending lawsuits against two large dairy cooperatives are predicated, in substance, on the proposition that those dairy farmers desiring to market their milk independently and in competition with other dairy farmers have been prevented from doing so by actions of these cooperatives designed to achieve for them a monopoly of the supply of milk. To the extent that the provisions of S. 517 would increase the power of these cooperatives over the supply of milk it would run counter to the purpose of those lawsuits to permit free market forces to operate."

Comment: This statement might give the impression that the provisions of the bill may be designed to sanction some predatory practices that are the subject of pending lawsuits; but nothing in the letter indicates that this is actually the case. The letter does not state the number, location, parties, or subjects of the pending lawsuits. The letter does not describe the actions alleged to have been taken to prevent dairy farmers desiring to market their milk independently from doing so, nor does it specify any provisions of the bill which would legalize those actions. Rather the letter seems to sug-

gest that because the Department of Justice has accused two large dairy cooperatives of monopolistic practices, any provisions of law which might be helpful to any cooperative in their relations with individual milk producers, milk processors, and independent cooperatives should be viewed with alarm.

The reserve pool authority in the bill appears to be the provision most likely to conflict with the Department's suits; but it is clear from the Department's letter that no conflict is involved. There is of course no question as to the difference between Government regulation of an industry, and a private combination to attempt to monopolize an industry.

The former is clearly legal and has the common good in accordance with statutory policy for its objective. The Department recognizes this when it says, "To the extent that this authorization places the management of a reserve 'pool' in the hands of the Department of Agriculture and requires administration consistent with the goals of the federal marketing order program, it is to be preferred to presently existing 'stand-by pool' agreements administered by cooperatives." This being the case, the Department's remarks as to the alleged private objectives of the present pool are irrelevant to consideration of the bill. Those private objectives, unless they should coincide with the statutory objectives, would not govern the provisions of the bill.

(2) *Statement:* "Although not in the draft..."

Comment: This statement described a provision which was never approved by the Committee and is not in the bill. The statement is therefore completely irrelevant.

NOTICE OF HEARINGS ON THE FARM PROGRAM AND OTHER ISSUES

Mr. TALMADGE. Mr. President, the Committee on Agriculture and Forestry will hold hearings on the farm program and other issues on February 27, 28, March 1, 2, 8, and 9. Since the administration has not proposed a farm bill this year, the committee will use as a basis for the hearings, S. 517, a bill that would extend our present commodity programs for 5 years. The committee will hear from public witnesses on the renewal of the farm program, export subsidy programs, the sale of wheat to Russia, Public Law 480, environmental protection, consumer protection, the food stamp program, the child nutrition programs, and rural development.

In regard to the farm program, the committee is particularly interested in hearing the testimony of genuine "dirt farmers." Farmer organizations are requested to bring practicing farmers to testify as their spokesmen.

The hearings will be in room 324, Russell Building, beginning at 10 a.m. each day. Since a large number of witnesses will wish to be heard and because of the committee's need to act promptly on the extension of a farm program, witnesses will be limited to 10 minutes for their oral presentation. Anyone wishing to testify should contact the committee clerk as soon as possible.

Mr. President, it is hoped that this procedure for conducting hearings will enable the Committee on Agriculture and Forestry to gauge the true sentiments of the American farmer and the American consumer. By attempting to hear from as many practicing farmers as possible, the committee will make every effort to find out what the farmers want before moving forward on major farm legislation.

MARCH 27, 1973.

Hon. EARL L. BUTZ,
Secretary, U.S. Department of Agriculture,
Washington, D.C.

DEAR MR. SECRETARY: Enclosed you will find a staff digest of witnesses' testimony during eight days of hearings on the general farm

program. During these eight days the Committee heard from a total of 110 witnesses and we heard a record number of practicing "dirt farmers." I believe that these witnesses gave us a very good cross-section of views on the kind of farm bill the Nation's farmers want.

Some Members of the Committee on Agriculture and Forestry will continue the Committee's hearings by conducting field hearings on the farm program in their respective States. I will hear from my farmers in Georgia on April 19 and 20. When these hearings are held, the hearing record will be made available to you for your study and comment. However, since you are testifying before the Committee on March 29, I would like to have your comments on the major proposals of the witnesses who have already testified on the general farm program. Please comment on the major recommendations made by the witnesses in your statement on March 29. Also, I feel that many Members of the Committee will wish to question you in detail about some of the witnesses' recommendations.

I appreciate your coming to my office to meet with the peanut producers last week. As you may have gathered, the peanut growers of my State are extremely upset about the USDA regulations.

I am looking forward to seeing you on March 29.

With every good wish, I am

Sincerely,

HERMAN E. TALMADGE,
Chairman.

MAY 23, 1973.

Hon. PHILIP A. HART,
Chairman, Subcommittee on Antitrust and
Monopoly, Committee on the Judiciary,
U.S. Senate, Washington, D.C.

DEAR PHIL: Thank you for your letter of May 22 with respect to the provisions of the farm bill relating to dairy cooperatives.

The farm bill was ordered reported unanimously by the Committee two weeks ago with the understanding that it would be reported not later than today, if at all possible. The bill is designed to alleviate shortages the country is now facing in food and fiber, so that it is most important that no action be taken to delay the reporting of the bill.

Your letter suggests that the effect of the provisions you are concerned about "undoubtedly would be to raise consumer prices for dairy products, adding to the inflationary spiral on food products"; but the fact is that no provision may be included in a marketing order unless the Secretary finds that it tends to effectuate the purposes of the Act. The purposes of the Act are in part described by paragraphs 1 and 2 of section 2 of the Agricultural Adjustment Act which Congress enacted in 1933, as follows:

"Sec. 2. It is hereby declared to be the policy of Congress—

"(1) Through the exercise of the powers conferred upon the Secretary of Agriculture under this title, to establish and maintain such orderly marketing conditions for agricultural commodities in interstate commerce as will establish, as the prices to farmers, parity prices as defined by section 301(a)(1) of the Agricultural Adjustment Act of 1938.

"(2) To protect the interest of the consumer by (a) approaching the level of prices which it is declared to be the policy of Congress to establish in subsection (1) of this section by gradual correction of the current level at as rapid a rate as the Secretary of Agriculture deems to be in the public interest and feasible in view of the current consumptive demand in domestic and foreign markets, and (b) authorizing no action under this title which has for its purpose the maintenance of prices to farmers above the level which it is declared to be the policy of Con-

gress to establish in subsection (1) of this section."

The only price effect, therefore, would be to achieve prices designed by Congress to be fair to producers and consumers.

The provisions you question were discussed at the Committee's hearings on S. 517, a copy of which is enclosed, and I refer you particularly to the testimony of Mr. Healy at page 121 and Mr. Ortego at page 487. The hearings were held in February and March and the Committee heard no objections to these proposals until after the bill had been ordered reported.

I will discuss your letter with other members of the Committee and particularly with Senator Huddleston, who is chairman of the subcommittee that would conduct any further hearings, if further hearings appear to be necessary. I hope that sometime between the time the bill is reported and the time it is taken up on the floor you and I will have an opportunity to discuss any objections or suggestions for amendments you may have.

With every good wish, I am

Sincerely,

HERMAN E. TALMADGE,
Chairman.

SUMMARY OF RECOMMENDATIONS OF WITNESSES

GENERAL AGRICULTURE, RURAL, CONSUMER, AND ENVIRONMENTAL HEARINGS

FEBRUARY 28, 1973.

Glenn Lake, a dairy farmer of North Branch, Michigan, and President, National Milk Producers Federation, urged:

1. (a) Extension of removal of mandatory requirement to support the price of butterfat;

(b) Authority for Commodity Credit Corporation to transfer dairy products to the military and to veterans hospitals.

(c) Authority to reimburse dairy farmers and dairy product manufacturers for losses due to pesticides residues in milk and milk products from sources beyond their control; and,

(d) Authority to use seasonal adjustments in prices paid dairy farmers, and seasonal Class I base plans under Federal Milk Marketing Orders.

2. Establishment of minimum price support level for manufacturing milk at 85 percent, instead of 75 percent, or parity price for the 1973-74 marketing year.

3. Amendment of dairy pesticides indemnity to provide reimbursement to dairy producers who have suffered economic losses because their milk or cows have become contaminated with environmental pollutants other than compounds which can legally be defined as pesticides, in addition to those which have been registered as pesticides under the insecticide, fungicide, and rodenticide legislation.

4. Enactment of legislation establishing dairy import quotas on a milk equivalent, instead of individual product, basis, as now done under Section 22.

5. Action to make the Treasury Department enforce the Countervailing Duty Statute with respect to any commodity on which a foreign nation is paying an export subsidy for imports into the United States (19 U.S.C. 1303).

6. Amendment of the Agricultural Marketing Agreement Act of 1937, as amended, as follows:

(a) adding, in addition to "fixing minimum prices" for different forms or purposes of use for milk which handlers are required to pay, authorization, for orders, with or without price provisions, to provide for announcement of prices to be paid to producers for dairy marketing services performed for a handler;

(b) Providing authority to establish milk order prices by zones, within the order area, and permission to use more than one basing point for prices in such area;

(c) permitting cooperatives on behalf of their patrons to be considered as "producers" under milk marketing orders;

(d) Authorizing the Secretary, in establishing or amending a milk order, to provide for the calculation of the total use value of the milk before allocating specific prices to different forms and classes of milk, with allowance for specific services provided for all producers to be paid by handlers to cooperative associations;

(e) Provide for separate referendums on special amendments to orders covering payments to cooperative associations for dairy marketing services rendered to handlers;

(f) Authority for the Secretary, under milk marketing order, to authorize reimbursement of one or more cooperative in one or more market milk areas to establish a milk stabilization pool for the entire area to prevent unwarranted fluctuations in supplies of milk and returns to producers;

(g) Giving producers, as well as handlers, the right of petition for modification of an order, and of recourse to Federal Courts.

NOTE.—Lake submitted bill language, which, if enacted, would put each of his recommendations into effect.

"The set-aside program should be shifted to a cropland basis. . . . We recommend that the set-aside be redesigned to take out of production a percentage of the cooperators' cropland, as determined by the Secretary of Agriculture under guidelines prescribed by the Congress, instead of a percentage of a historic base acreage. Under this approach the cropland base used for determining the amount of the set-aside could, and probably should, be adjusted by subtracting the acreage devoted to crops produced under special programs such as the tobacco, peanut, rice, and sugar programs as long as these programs are maintained on their present basis.

"After complying with the set-aside, a farmer should have the privilege of producing the products that are best adapted to his resources without regard to past history. . . . As an interim step, pending the shift of the set-aside program to a cropland basis, it may be desirable to base the set-aside temporarily on the total acreage actually planted to feed grains, soybeans, wheat, and cotton."

Albert J. Ortego, Jr., Vice President, Economics, Central American Cooperative Federation, Inc., recommended the following amendments to S. 517 (copies of legislative language of amendments is appended to Mr. Ortego's statement and are too lengthy for inclusion in this summary):

(1) Amend provisions authorizing Class I base plans in Federal Orders so that an order may provide:

a. that bases of producer members of a qualified cooperative association could be allocated to the association.

b. The producers, who acquired a base under a cooperative marketing association's base plan issued pursuant to a state or federal regulatory program, be entitled to the history of marketings represented by any base so acquired and held by him on the effective date of a base plan under this Act.

c. That an orderly and equitable transition from an existing base plan to a Class I base plan is permitted.

2. Authorize milk marketing orders for milk products and/or milk for manufacturing, without requiring the establishment of minimum prices. It would extend the authority granted under Section 608c(6) for commodities other than milk to orders for milk products and milk for manufacturing.

3. Grant to the Secretary the specific authority to reimburse cooperatives for performing market-wide services. Marketing cooperatives perform three types of services: (1) services which benefit primarily the members; (2) services which benefit specific handlers and were formerly performed by handlers; and (3) services which benefit all

producers and/or all handlers—market wide services.

4. Authorize the establishing or providing a method for establishing a means of good faith bargaining by producers with handlers regulated under Federal orders. This includes bargaining for reasonable prices above minimum order prices and charges for services provided to handlers by producers or through their cooperative association. Producers could petition the Secretary to incorporate a negotiated price as the minimum order price or prices whenever representatives of at least 66 2/3 percent of the producers who produce 66 2/3 percent of the milk have negotiated such a price with handlers handling over 66 2/3 percent of the milk subject to the order. Upon determination that such negotiated price or prices was arrived at in good faith bargaining does not unduly enhance prices and tends to effectuate the purposes of the Act, the Secretary would approve such price as the minimum order price.

The right to bargain with handlers for prices over and above the minimum order price would be clearly stated in the Act. This confirms the rights of producers to establish pricing arrangements as exists under the Chicago Superpool, the Georgia Superpool and similar pools in other markets.

5. Amendment to grant authority to the Secretary to operate within the framework of the Federal order system, a stand-by milk pool. This would allow the use of a technique designed to permit Grade A milk in heavy production areas to participate in the preferred fluid milk market without requiring uneconomical movement of milk when it is not needed for fluid use. However, stand-by pool milk would be available for movement to markets when needed. Our proposal would provide for the transfer of funds from Federal order markets for this purpose. A stand-by pool benefits producers in the market with high Class I use because "their market" can operate on a smaller local reserve supply.

6. Two proposed amendments to clearly establish that the basic criterion for establishing minimum order prices and the level of prices under the price support program is an adequate supply of pure and wholesome milk to meet current needs and further assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs.

7. Add a Section 205 under Title II of S. 517 to regulate the import of dairy products and prohibit imports of dairy products for food use except on authorizations issued by the Secretary of Agriculture. Imports of dairy products would be limited annually to the total average quantities (on a milk equivalent basis) imported during the 1971 and 1972 calendar years. The President, under certain conditions, could permit additional imports up to 10 percent of the average of the past two years.

The amendment would not repeal Section 22 of the Agricultural Adjustment Act, but the total annual limits on imports of this Act would prevail, and authorizations for imports under any other laws would be included in computing totals for this Act.

Ray Joe Riley, President, Plains Cotton Growers Association, recommended strongly that the cotton section of the Agriculture Act of 1970 be extended, with only slight changes, as follows:

1. The 15-cent per pound payment, made as it is on only a part of the acreage necessary to adequate production for domestic and export markets, is the absolute minimum which would, when added to a competitive price for cotton, cover production costs and provide even the most meager return to capital, management and labor.

2. The \$55,000 payment limitation is

wrong, period. There is absolutely no justification for limiting a producer's earnings just because through thrift he has built an enterprise larger than that of his neighbor. However, political reality being what it is, we reluctantly recommend that this Committee report a farm bill specifying the same \$55,000 per person per crop limitation.

3. Language in the 1970 Act which permits the Secretary of Agriculture to arbitrarily set the CCC loan price for cotton at less than 90 percent of the average world market price should be deleted. To provide production incentive and protect the farmer's ability to secure financing, the loan should be no lower than is necessary to give cotton a competitive price. Ninety percent of the world market price is low enough to keep cotton competitive, and there is no advantage whatsoever, either to the government or industry, in having the loan at a lower level.

MR. TALMADGE. Second, these provisions only constitute authority, authority which can be exercised in any order only after full hearings.

MR. PRESIDENT, milk marketing orders are very complex. They are tailored to meet the individual needs of each market. But they have several things in common. They must effectuate the congressional objective, they must tend to achieve fair prices for farmers, they can in no event be designed to raise prices above a reasonable level for consumers, they must be terminated if they do not tend to achieve these objectives.

Now the matters they do not have in common are multitudinous and difficult. We might argue all day, hearings might be held for many days, on one little provision. What might work in Seattle or Chicago might not be the right things for Atlanta or Jacksonville. We should provide the authority, the tools that are necessary to accomplish our objective. The Secretary can then hear every witness who has a point to make. The testimony can be directed to a definite order, a definite situation, a definite set of circumstances.

ASSIGNMENT OF BASES TO COOPERATIVES

The first provision which would be stricken by this amendment provides for the allocation of producers' bases to their cooperatives in order to give the cooperative greater flexibility in marketing milk for the benefit of their members.

Before discussing this amendment further, I would like to say what it does not do. It does not give cooperatives control over their members' livelihood. It does not let them make puppets of their members. It is not designed to do so, it cannot do so, and most certainly that is completely contrary to the governing purposes of the act. But any argument that it makes puppets of farmers is inherently ridiculous for still another reason, and let me tell you what that is.

Under a class I base plan a farmer's base has only one significance. It determines the amount of money he receives from the pool for his milk. But this is a matter which already is subject to completely free agreement between the farmer and his cooperative. Farmers with base may share equally with farmers without base in the proceeds of cooperative sales. The coopera-

tive and its members may have a completely different manner of dividing the proceeds. That is already their legal right and it is spelled out in section 8c(5)(f) of the marketing order law which reads as follows:

(F) Nothing contained in this subsection (5) is intended or shall be construed to prevent a cooperative marketing association qualified under the provisions of the Act of Congress of February 18, 1922, as amended, known as the 'Capper-Volstead Act,' engaged in making collective sales or marketing of milk or its products for the producers thereof, from blending the net proceeds of all its sales in all markets in all use classifications, and making distribution thereof to its producers in accordance with the contract between the association and its producers: Provided, that it shall not sell milk or its products to any handler for use or consumption in any market at prices less than the prices fixed pursuant to paragraph (A) of this subsection (5) for such milk.

Since the distribution of sales proceeds is already completely a matter of agreement between the cooperative and its members, the assignment of members' bases to the cooperative gives the cooperative no additional power over the member. It does not lock him in. It does not affect his share of the sales proceeds. He may quit the cooperative and take his base with him. That is fully described in item (3) of the staff memorandum previously inserted in the record and there is absolutely no question about it.

Now, let us see what this provision does. It gives the cooperative greater ability to protect its members' bases when it markets their milk.

Let us look at one type of situation which gives rise to the need for this provision. Let us suppose, and this is the case, that markets in northern Florida are deficit markets. They frequently need more milk for fluid consumption. Tennessee has a surplus of milk that is looking for a home. Georgia, which lies between them, has an adequate but not excessive supply.

Now let us take an example. Let us take a Florida plant that needs milk. A few miles away in southern Georgia are some Georgia order producers with $\frac{1}{2}$ hundredweight of milk. Many miles away in Tennessee there are some Chattanooga order producers, also with the $\frac{1}{2}$ hundredweight of milk. They are a few miles away from a northern Georgia handler who needs that quantity of milk. All producers belong to the same cooperative.

It does not take a Solomon to see that it would be reasonable and cheaper for the Georgia producers to deliver to northern Florida and the Tennessee producers to deliver to northern Georgia. The milk is of equal quality and quantity. All markets would end up with the same total quantity of milk if delivery were made in that fashion. It would be ridiculous to truck the Tennessee milk southward across the State of Georgia to Florida, while the southern Georgia milk is being trucked northward across Georgia. The truckers might pass with a wave or meet and have lunch together. Precious fuel would be wasted. But while that would be a ridiculous way to do business, the complexity and rigidity of the Georgia order adds an artificial factor in favor of just such an uneconomic

movement. The fact that the Georgia producers will lose base if they deliver to Florida is an artificial economic factor that militates against this reasonable arrangement. This provision of the bill is an attempt to avoid this difficulty by assigning the bases of the Georgia producers to their cooperative in the hope that that will pave the way for substitution of the Tennessee milk in filling the Georgia producers base marketings in Georgia.

The example I have given is an oversimplified one in a very complex situation. The cooperatives are constantly looking for a home for their milk as handler demands and production varies. Proper dispatching saves time and money and manpower. It is a very difficult problem for the dispatchers to take the base and all of the other variables into consideration and make the right decisions. They do not always do so. Assignment of bases to the cooperative is designed to remove one of these variables and provide them with the flexibility to market the milk to the best interest of producers and consumers, without needless costs.

RECOGNITION OF BASE HISTORY

The second provision which would be stricken by this amendment gives the same recognition to the history of marketings upon which bases under a State or cooperative base plan have been determined that the law now gives the history of marketings upon which a Federal order base has been determined.

The purpose of a base plan is to make it possible and attractive for a producer to limit his production to his share of the quantity needed for the market. If he does this under a Federal order, he is not penalized therefor when his base is updated; but at each annual updating he will be treated as though he had produced the larger amount upon which his base was originally determined.

It is only fair that the same rule be applied to histories under other Federal, State, or cooperative orders which are similar in nature and this provision would permit such treatment.

The existing law with respect to the updating of bases under Federal orders is set out in item (5) of the staff memorandum previously inserted in the RECORD. The memorandum further gives an example of four producers, each with a history of marketing 2,000 pounds in a prior base period. Three have reduced in recent years to their bases under, respectively, a Federal order, a State order, and a cooperative base plan. The fourth, not being subject to such a plan, has continued to produce 2,000 pounds. This provision would permit the Secretary, if the evidence showed such action to be equitable, to give all four the same amount of base.

This provision also would permit the orderly and equitable phasing out of Federal, State, or cooperative base plans pursuant to a Federal order.

EXCESS PRICE BELOW THE ORDER PRICE

The next provision which would be stricken by this amendment makes it clear that the return to a farmer for excess milk under a Federal seasonal or class I base plan may be fixed at less than the lowest class price. Again, this

is just an available tool which the Secretary may use if it will effectuate the purpose of the act. The purpose of a base plan is to discourage the production of excess and unwanted milk. Disposition of such milk may be expensive and wasteful. A high cost manufacturing plant may have to be operated for a few months in the flush season to provide a home for it. It may have to be trucked a long distance. There may be a number of reasons why an extra measure of discouragement for its production should be provided. This, of course, does not affect the class prices paid by handlers. Lowering the return for excess milk would increase the return for base milk; and discouraging the production of excess milk could, by increasing the percentage utilized for class I purposes, further increase the base price.

MINIMUM CHARGES FOR SERVICES FOR HANDLERS

The next provision which would be stricken by this amendment would permit the fixing of minimum charges for services performed for a handler. Like all other provisions of an order such provisions could be included only after a full hearing and determination that they would tend to effectuate the purposes of the act. One of the purposes of the act is to achieve fair prices for producers, and the manner in which this is done is by fixing minimum prices to be paid by handlers for milk. Where the handler purchases milk and services as a unit, it is difficult to assure the producer or his association of the minimum price for the milk unless there is a separate or clearly recognized charge or value for the service. This provision is therefore designed to permit such assurance.

PRICE POSTING

The next provision which would be stricken by this amendment provides for manufacturing milk orders which do not provide for minimum prices but provide for price posting. Such an order can assure producers that they receive the full price posted and agreed to by the handler for the quality and quantity of milk delivered.

DIFFERING LOCATION DIFFERENTIALS

This amendment permits an order to provide for the use of different location differentials for computing minimum class prices and for computing payments to producers from the pool. Where two orders are merged, different basing points may have been established. It may be difficult to change the established pattern of location differentials for producer returns, and at the same time it may be necessary to alter location differentials for minimum class prices in order to direct the flow of milk to the deficit, rather than the surplus portions of the marketing area.

SERVICES OF MARKETWIDE BENEFIT

The next provision permits an order in an appropriate case to provide for payments from the pool to cooperatives for services of marketwide benefit. This could be included in an order only after a showing that the services do provide marketwide benefits and that payments from the pool for them is appropriate and will tend to effectuate the purposes of the act.

The principal purpose of marketing orders is to provide for orderly marketing. Milk is a commodity which must be kept flowing to market in the quantity needed. To be sure of this quantity, it is necessary that there be some surplus. But if too much surplus accumulates and no one is willing to buy it, the entire system breaks down. As supply and demand fluctuates the surplus may grow or diminish. To take care of this changing surplus or reserve, storage, manufacturing plants, or other means must be provided to absorb it or release it as needed to the fluid market. This and similar services may benefit every producer in the market and it may be appropriate for pool payments to the cooperative for providing it.

STANDBY RESERVE POOLS

The next provision which would be stricken by this amendment permits an order to provide for a standby reserve pool. Under such a provision payments would be made from the pool to cooperating dairy farmers, associations of dairy farmers, and handlers who under the terms and conditions prescribed in the order make reserve milk available to the market as needed. Such a pool is really an example of a service of marketwide benefit. Its purpose is to provide for a constant flow of milk to the order market and to prevent unwarranted fluctuations in supplies. Instead of the excess milk being shipped to the order market to be absorbed in manufacturing there, it might be used for manufacturing purposes near its point of origin and diverted from such manufacturing to fluid use in the order market on call.

Mr. President, the provisions which this amendment would strike from the bill are simply additional tools which, after a full hearing, the Secretary may use if he finds that they make marketing orders work better and tend to achieve the congressional objective.

They are all designed to provide for orderly marketing, to keep the milk flowing to consumers in the quantities needed, to eliminate wasteful practices, and to keep prices down to reasonable levels. They should be kept in the bill and the amendment should be rejected.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. TALMADGE. Mr. President, is the Senator from Michigan prepared to yield back his time?

Mr. HART. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Six minutes.

Mr. HART. Mr. President, I yield myself a couple of minutes.

The Senator from Idaho (Mr. CHURCH) was required, because of earlier schedule obligations, to be absent, unhappily at just about this hour. The Senator from Idaho has asked that I offer for the RECORD a statement of his in strong support of the amendment, a statement which I am very grateful to have, and which I ask unanimous consent to have printed at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR CHURCH

These highly technical amendments to the basic law governing the operation of federal milk marketing orders throughout the country were, as I understand it, submitted in open testimony along with hundreds of other recommendations. However, although I am not a member of the Agriculture Committee, I have been informed that the proposed amendments were actually written by representatives of the giant milk coops. Certainly an examination of the amendments would indicate that these supercoops would gain the most from approval of these amendments. There is also a great controversy over whether or not a substantial number of individual coops, individual dairy product manufacturers and other organizations were given an adequate opportunity to comment on the proposed amendments before the bill was agreed upon and voted out of the Agriculture Committee.

Mr. President, we are dealing with one of our most vital foods. The pricing of fluid milk and manufactured products and the economic future of many of our milk producers hangs in the balance. This obviously speaks for the care that must be taken with these provisions.

Dairymen in Idaho favor the extension of the basic authority for Class I Base plans. The dairy program which we have had in the past has, on the whole, been successful. Senator Hart's amendment does not delay nor delete these provisions; nor does the amendment delete provisions from this legislation which sets the price support at 80% parity and limits dairy imports to 2% of the domestic production. However, the Senator's amendments does withdraw these highly controversial provisions which would greatly benefit the supercoops; if Senator Hart's amendment is approved interested organizations and the Justice Department would then have an opportunity to be heard by the Committee before we are asked to make such provisions a part of the permanent law.

I urge my fellow colleagues to support Senator Hart's amendment.

Mr. HART. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. HUMPHREY. Mr. President, will the Senator yield? Before the yeas and nays are ordered, I would like to pose a parliamentary inquiry.

The PRESIDING OFFICER. The request for the yeas and nays has been made. Unless the request is withdrawn, it must be acted on.

Mr. HUMPHREY. The request has been made, but the Chair has not ruled, and I want to make a parliamentary inquiry.

Mr. HART. Mr. President, may I suggest the absence of a quorum for 1 minute?

Mr. CURTIS. Mr. President, I yield 1 minute from the bill for a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Michigan asked for the yeas and nays. Unless the request is withdrawn, it must be acted on.

Does the Senator from Michigan withdraw the request?

Mr. HART. Mr. President, I withhold the request for a moment.

Mr. HUMPHREY. Mr. President, my question is, If the yeas and nays are ordered on the Hart amendment, is it still possible to amend the Hart amendment before the yeas and nays are called for?

The PRESIDING OFFICER. An amendment would be in order.

Mr. HUMPHREY. An amendment to the Hart amendment?

The PRESIDING OFFICER. After the time on the amendment has expired and before the roll is called.

Mr. HUMPHREY. I thank the Chair.

Mr. HART. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HART. I thank my colleagues, and I am prepared to yield back the remainder of my time.

Mr. TALMADGE. Mr. President, I think the distinguished Senator from Kansas desired to have a colloquy just prior to the vote. I am prepared to make a brief statement before I yield the floor.

Mr. DOLE. Mr. President, as the distinguished Senator from Georgia will recall, yesterday we had a colloquy involving about four questions on block voting and the standards required. There is one additional question I wish to ask today of the distinguished chairman. The question is: If a processor has been buying all his milk from producers within a milk marketing order, and a Federal class I base plan is voted in, can that processor, under the provisions of S. 1888, as amended by Chairman TALMADGE's clarifying amendments, purchase a part or all of his needs from producers outside the milk marketing order area?

Mr. TALMADGE. Yes; there is no question about this. The law is very clear.

Section 8c(5)(G) of the Agricultural Adjustment Act provides as follows:

(G) No marketing agreement or order applicable to milk and its products in any marketing area shall prohibit or in any manner limit, in the case of the products of milk, the marketing in that area of any milk or product thereof produced in any production area in the United States.

In addition, to make this doubly clear in the case of class I base plans, section 201(d) of the Agricultural Act of 1970 provides as follows:

(d) It is not intended that existing law be in any way altered, rescinded, or amended with respect to section 8c(5)(G) of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, and such section 8c(5)(G) is fully reaffirmed.

The bill makes absolutely no change in section 8c(5)(G). It extends section 201(d) of the Agricultural Act of 1970 without change.

There is absolutely nothing in the bill that would prevent a processor from purchasing all of his needs from producers outside the milk marketing order area. Such producers would receive bases under section 8c(5)(G)(v) of the Agricultural Adjustment Act.

Mr. DOLE. Mr. President, will the Senator yield me 2 minutes?

Mr. TALMADGE. I yield 2 minutes to the distinguished Senator from Kansas.

Mr. DOLE. Mr. President, I invite the attention of Senators who may not have been present yesterday to the colloquy between the junior Senator from Kansas and the distinguished senior Senator from Georgia, which appears on page S10432 of the RECORD.

I believe that in response to those questions—in fact, I know that in response to those questions—the distinguished chairman of our committee made it very clear, in answer to the first question, that block voting was not permitted in voting to bring in a Federal class 1 base place plan. The chairman's response was very clear.

The second question was as to the percentage of favorable votes necessary to create a class 1 base plan, and that stands at 66½ percent.

The third question was with reference to what action is required of the U.S. Department of Agriculture prior to the vote on the Federal class 1 base plan.

Then, because of certain reports and rumors that a producer might lose his base, the chairman was asked a final question. I asked the chairman:

Mr. President, if a farmer wants to drop his membership in a cooperative, does he retain his Class 1 Base Plan arrangement or can he retain his base under the provisions of the bill pending before the Senate?

Again, the distinguished chairman of the committee made it very clear by responding:

Absolutely. The bill is very specific in this regard.

By the fifth question and answer today about a processor buying outside the milk marketing order, I believe we clarified many questions raised by those who at one time or another supported the Hart amendment.

I recall the committee deliberations. I recall the consensus reached by the committee. We were not trying to put anyone on the spot. The understanding is that there are lawsuits pending between certain cooperatives and well respected farm organizations.

We are trying to avoid becoming involved in the litigation. That was the sole purpose. We were trying to protect the dairies and the consumers.

I emphasize that the Record is clear. The colloquy and the clarifying amendments offered yesterday by the distinguished Senator from Georgia, the chairman of the committee, rather negate any reason at this point for the adoption of the Hart amendment.

Mr. TALMADGE. Mr. President, I would like to make a very brief statement, and I will then be ready to yield back the remainder of my time.

First, I want the Members of the Senate to know that cooperative marketing orders for milk are not new. They have been established for 40 years. They were provided for by the Agricultural Adjustment Act of 1933. Since that time, from time to time the law has been modified as economic conditions warranted.

This year we have heard from more than 300 witnesses on the Agricultural Act. Hearings were held in six States and in the District of Columbia. We held hearings ad infinitum, day after day. There was some controversy. However, all witnesses who made timely request were heard.

Milk marketing orders are very complex things. Very few people except dairymen can understand them. We who have served on the Committee on Agriculture and Forestry for a number

of years have difficulty sometimes in comprehending these technical provisions relating to milk marketing orders. Every time there is a proposal relating to milk, we call in Mr. Forest, the Department of Agriculture expert on milk. He advises on how these provisions work, and then the committee members have their say. Then we reach an agreement. And the committee reports that provision to the Senate without one single dissent.

That is our best judgment. We did what we thought was appropriate and right. We think it will be of benefit to the country.

I urge the Senate to reject the Hart amendment.

Mr. BENTSEN. Mr. President, will the Senator from Georgia yield?

Mr. TALMADGE. I yield.

Mr. BENTSEN. Mr. President, I have had some people who oppose the bill and support the Hart amendment tell me that nonmembers of a cooperative would be charged for certain services which they might not even utilize. Has that been correct?

Mr. TALMADGE. No, nonmembers would not be charged for any services that were not of benefit to them. The bill would permit an order to prescribe minimum charges for services rendered to handlers and to provide for payments which the Secretary determined were of marketwide benefit that is benefited all producers member and nonmember alike. I offered three clarifying amendments yesterday, two of which related to these provisions, which the Senate accepted, to make it crystal clear that no service could be charged to a handler for a service which he could provide and desired to provide himself; and that no payments could be made from the pool for services which handlers were ready and willing to provide without charge.

Mr. BENTSEN. He has the option to provide the service for himself and not be charged for it if he is not a member of the cooperative?

Mr. TALMADGE. The Senator is exactly correct. As the language appearing in the RECORD on page S10432, down in the middle of the page, first column reads:

On page 4, lines 20 and 21, strike the following, "including but not limited", and insert the following: "who is given the opportunity to purchase the milk with or without such services and elects to receive such services, such services to include but not be limited".

On page 6, beginning in line 18 with the word "and", strike all through line 20 and insert the following: "(i) furnishing other services of an intangible nature not hereinbefore specifically included, and (ii) providing any services, whether of a type hereinbefore specifically included or not, which handlers are ready and willing to perform without charge".

That is technical language and is difficult to understand. However, it provides that no handler can be charged for a service he can handle for himself and desires to handle for himself.

Mr. BENTSEN. Mr. President, I thank the distinguished Senator.

Mr. TALMADGE. Mr. President, I thank the distinguished Senator from Texas.

Mr. President, I am ready to yield back my time and vote on the amendment of the Senator from Michigan.

Mr. HART. Mr. President, will the Senator yield, since I have no time remaining?

Mr. TALMADGE. I yield.

Mr. HART. The bill, including the amendment of yesterday as it affects the language on page 6 is of concern to all of us. Is it the intention of the Senator from Georgia by his amendment to page 6, which is the amendment beginning in line 18 on page 6 and relating to the marketwide services that this be the case?

This gave me greater concern than the other section, because as I read it there would be deducted from the payment to the pool, in the case of a nonmember, for services that involve laboratory work, whether or not the nonmember used the laboratory.

I do not see that that has been corrected by the amendment of yesterday.

Mr. TALMADGE. The Secretary must find that the service performed is of marketwide benefit and must be provided for a member and nonmember alike, all producers before a payment can be made from the pool.

Mr. HART. Mr. President, what if the nonmember has a brother who happens to be a veterinarian and he wants the brother to do the lab work?

Mr. TALMADGE. Mr. President, if he performs his own service, there can be no charge for it.

Mr. HART. Mr. President, the charge would be deducted from the pool payment for that individual whether he used the lab work or not if the order went out.

Mr. TALMADGE. No. Because the Secretary could not find in that case that the service benefitted every producer. It could not be a service providing marketwide benefit.

Mr. HART. A man who has a brother who is a veterinarian would not think he was getting a benefit.

Mr. TALMADGE. Then the order would not provide for that payment.

Mr. HART. That is the intention of the language of yesterday?

Mr. TALMADGE. That is the intention of the language of the bill reported by the committee as clarified by the addition of this language on yesterday.

Mr. President, I am ready to yield back the remainder of my time.

Mr. CURTIS. Mr. President, I yield 5 minutes on the bill to the distinguished senior Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont is recognized for 5 minutes.

Mr. AIKEN. Mr. President, I think that I should explain my position on the bill. I plead guilty to not having spent as much time at the hearings as I would like to have spent because of other committee work at which I had to be in attendance.

I voted to report this bill out, not because I approved of all the provisions of the bill, but because I realized there were three or four opportunities to correct any errors or omissions or anything else that might be undesirable about it.

First, I knew that a bill, after coming

out of the committee, had to be considered by the Senate—and I will say that this bill is being considered, so far, about as thoroughly as any agricultural bill that I have ever seen before this body—where amendments could be offered and accepted, if it was felt desirable, by the entire Senate.

Then the legislation must go to the House of Representatives. The House Agriculture Committee has already been working on it, and I understand that they will try to get action as soon as they find out what kind of a bill we are passing over here, and perhaps change it. In fact, I would be surprised if they did not change it materially anyway, because the House is not quite so agriculturally minded as the Senate, and perhaps its Members do not understand the problems of the dairy people and other agricultural producers as well as do Members of the Senate.

Then, of course, the portions of the two bills in disagreement will have to go to conference between the House of Representatives and the Senate, where there will be still another opportunity to correct any mistakes which have been made by either House. And finally, if they come out with a bad bill, which tends toward the establishment of a monopoly of the dairy industry of this country, I would not expect the President to show any great enthusiasm for signing it. I do not say that he would not, but there is always that possibility, too.

So I think it is important that we work out the best agricultural bill that we can.

At present, most of the commodities that people complain about costing the public too much are selling for more than the support price right now. That is the reason why I voted to have this bill come out as quickly as we could, so that we can get final action on it as quickly as we can. I do not know how much longer the Senate will take; I hope we can finish with it tomorrow and get it going, because it is a moral certainty that the House is not going to agree with everything we send over there anyway, in every respect.

I have already spoken briefly on the Hart amendment. Four pages of the Hart amendment I consider good; two pages of it I think it might be better to leave out of the amendment. I believe that the Senator from Minnesota, perhaps, has been working on a substitute for it. I have not seen it yet. But if we could get an amendment there that would be chock full of benefits and contain no liabilities, that would be a good amendment indeed. It would be expecting a little too much, perhaps, but at least we can hope.

I simply wanted to explain my position on the bill. I know for the last 40 years—someone mentioned 1933—I have been concerned with the dairy marketing situation, because at that time I well remember that milk was selling for \$1 a hundred. It is now bringing about \$7 or \$8 a hundred.

Mr. CURTIS. Does the Senator want more time?

Mr. AIKEN. No, I guess not.

Mr. TALMADGE. Mr. President, I yield 3 minutes to the distinguished Senator from Minnesota.

The PRESIDING OFFICER. The Senator has only 1 minute remaining.

Mr. TALMADGE. I yield that remaining 1 minute.

Mr. HUMPHREY. Mr. President, the dairy provisions of this bill are the most controversial, in the eyes of many people. It is my judgment that basically those provisions make sense. There are some honest differences of opinion as to whether or not those provisions will interfere with legal actions and whether or not they constitute too much power in the hands of the cooperatives.

I would just like to say, for the cooperatives, that if the dairy farmers of this country depend on the Federal Government to assure them a good chance in the marketplace, they are going to be in trouble. I am going to tell my farm friends that they had better do what the labor people have done, get the right bargainers and go out and get themselves a price. If the laboring people of this country had depended on the Labor Department for their welfare, they would have been serfs; and if the farmers depend on the Department of Agriculture they will be peasants. I suggest that they go out and get the price that they deserve, and then be good citizens.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HUMPHREY. I did not have much time. I hope that the Senator from Vermont gets his good bill.

Mr. CURTIS. Mr. President, I yield the Senator from Oklahoma 15 minutes on the bill.

Mr. BELLMON. Mr. President, if the Senator from Minnesota would like a part of that time, I would be happy to share it with him.

Mr. HUMPHREY. No, I will withhold further comment.

Mr. BELLMON. Mr. President, as has been said, these dairy amendments are perhaps the most controversial aspects of this bill. I am sure we have some very mixed feelings about the committee action, and about the arguments that are being made.

I have in my hand a copy of a study which has been made by the Department of Agriculture relating to the milk marketing order provisions of S. 1888. For the benefit of those who may not fully understand what we are talking about, I would like to refer to a part of this study, to hit the high points of what the U.S. Department of Agriculture feels is involved here.

Mr. CURTIS. Mr. President, may we have order?

The PRESIDING OFFICER. The Senator will be in order.

Mr. BELLMON. To begin with, the proposed changes would give members of cooperatives a tremendous advantage over nonmembers. An individual co-op member would not receive a lower price for excess milk so long as his excess were offset by the underproduction of other members. But the nonmember could not avail himself of such an offset. He and his fellow nonmembers would be at such a competitive disadvantage that they would eventually be forced either to get out of the dairy business or to join a cooperative.

I think we ought to know what we are doing. We are giving the dairymen who belongs to a cooperative an advantage over the dairymen who is not a cooperative member.

Another difference—and this appears on page 2—is that, as the bill provides—

Such order may provide that a producer who has acquired a base under a cooperative marketing association's base plan . . . shall . . . be entitled to the history of marketing represented by the base held by him.

The purpose of this is to avoid difficulties that cooperatives have heretofore experienced in phasing into class 1 base plans. The Department has been unwilling to automatically transfer bases from a cooperative base plan into a successor class 1 base plan, first, because there has been no legislative authority for doing so and, second, because to do so may not be fair to nonmembers. For example, a nonmember buying a farm just before a class 1 base plan is initiated would not be credited with the production history of that farm in determination of his base; the co-op member buying a farm would, on the other hand, have been permitted and adjustment in his base and, on the basis of the above provision, this adjustment would carry forward into his new class 1 base.

Mr. President, during the debate on this bill, the Committee on Agriculture and Forestry invited the Department of Agriculture's witness to come in and testify. I have to say that in listening to that witness, I was not able to fully understand the Department's position or to understand exactly what was involved in the amendment the committee had under consideration. The Department has now prepared this study. It is rather too lengthy to go into in full here on the Senate floor, but I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

S. 1888—MILK MARKETING ORDER PROVISIONS
(Discussion is by page number of the bill)

1.¹

P. 2 ". . . Such order . . . may provide . . . that the bases of . . . producers shall be allocated to the cooperative association while they are members thereof."

a. Intent—to permit the cooperative to offset underdeliveries of base milk by one member with overdeliveries of base milk by another. Under a Class 1 base plan, a producer receives a lower price for overdeliveries, i.e., the amount delivered in excess of his Class 1 base. The intent of this provision is, of course, to prevent overproduction. The proposed change would give members of cooperatives a tremendous advantage over non-members. An individual coop member would not receive a lower price for excess milk so long as his excess were offset by the underproduction of other members. The non-member could not, of course, avail himself of such an off-

¹ Sections I through III apply to Class 1 base plan legislation. Page 4 of the bill extends such legislation for an additional five years. Though Class 1 base plans, which inherently are production control oriented, are difficult to justify at the present time, the extension will probably incur only limited opposition.

set. He and his fellow non-members would be at such a competitive disadvantage that they would eventually be forced into joining a coop. The provision would also allow a cooperative to transfer milk off the market and allocate such transfers to the excess deliveries of its members leaving its milk left on the market as base milk. Non-members would have their history of marketing automatically reduced if they took their base milk off the market.

Depending on how the provision is utilized by the cooperative, it could also deprive the coop member of the right to buy or sell base so long as he is a member of the cooperative. In other words, allocation of a member's base to the coop could give the latter full control of the base, and the right to make decisions on transfers of base between and among members. This right, if it exists, could be used both as a carrot and as a stick by the coop leadership.

The legislative history to date implies that a producer can take his base with him when he terminates membership in the cooperative. But this is not explicit, and needs clarification. Furthermore, there is no showing as to what base he takes with him—his original base, the original base as altered under the base plan, the original base as altered by the cooperative, or something else.

b. Recommended USDA position—Opposition based primarily on (1) the potential adverse impact on non-coop members, and (2) ambiguities in potential treatment of the coop members themselves.

II.

P. 2 . . . Such order may provide that a producer who has acquired a base under a cooperative marketing association's base plan . . . shall . . . be entitled to the history of marketing represented by the base held by him . . ."

a. Intent—To avoid difficulties that cooperatives have heretofore experienced in phasing into class 1 base plans. We have been unwilling to automatically transfer bases from a coop base plan into a successor Class 1 base plan, first, because there has been no legislative authority for doing so and, second, because to do so may not be fair to non-members. For example, a non-member buying a farm just before a Class 1 base plan is initiated would not be credited with the production history of that farm in determination of his base; the coop member buying a farm would, on the other hand, have been permitted an adjustment in his base and, on the basis of the above provision, this adjustment would carry forward into his new Class 1 base.

b. Recommended USDA position—Opposition, based primarily on possible inequities to non-members. We have no information with respect to the grounds on which the bases of cooperatives have been established. Frequently a producer will be given special considerations in computing his base as an enticement to join the cooperative. We recognize that the problem of the transition from a cooperative base plan to a Federal Class 1 plan is difficult for everyone; the coop bases have value, and that value is lost or diminished in the transfer. Aside from this, it is difficult to evaluate farm transfers and a myriad of other factors that can affect production history. We recognize these problems, for we've been experiencing them in the implementation of Class 1 base plans. But thus far we've been able to work them out on an ad hoc basis, and hopefully in a fair and just way. Since each situation is somewhat different, we believe that the present system is preferable to legislating a solution that, though definitive, may not be fair to some or all of the producers involved.

III.

P. 3 . . . The Secretary of Agriculture . . . may provide a price to be paid for milk in excess of base . . . at such level as

he deems appropriate without regard to prices established for each class of milk. . . ."

a. Intent—To provide an additional tool for supply reduction under Class 1 base plans. Under such a plan, producers already get a lower price for their excess milk, i.e., milk produced in excess of base, than they do for milk produced in accordance with their base allocation. But they are, nevertheless, entitled to the Class II price (established under the milk marketing order as representing the market value of the milk) for that excess milk. The cooperatives argue that this may not be enough of a production disincentive and that the Secretary should, therefore, have authority to establish the price for excess milk at a level below that of the market value. Otherwise, say the cooperatives, the Class 1 base plan may fail for lack of production discipline.

b. Recommended USDA position—Opposition, for several reasons. The cooperatives argue that if producers vote for a Class 1 base plan, production discipline is inherent therein, and that there ought to be available in the system sufficient authority to make that discipline effective. Hence, this additional provision. Notwithstanding this line of reasoning, it would not be in the public interest to favor additional production discipline at a time when food prices, including milk prices, are rising, and milk production is already on the decline. Any producer in the market—whether or not a member of a coop—would have the incentive to sell his excess milk to a nonregulated plant willing to pay more than the "below Class II" price established in the order—if there is such a plant in the vicinity. But this in itself would lead to inefficiencies in milk marketing. In order to avoid the low price for excess milk in their home areas, producers would begin to transport that milk to nonregulated plants further away, so long as the price differential would more than offset the additional transportation costs.

In summary, additional production control is incongruous at the moment, and the additional level of prices would probably lead to marketing inefficiencies.

IV.

P. 4—States that a milk marketing order may "provide a method for fixing minimum rates of payment to producers or associations of producers for services performed for a handler, including but not limited to (1) providing specific quantities of milk on designated days and providing milk of a specified grade, quality or composition and (2) performing special services, such as but not limited to, milk assembly, refrigeration, storage, laboratory work, quality supervision and accounting . . ."

a. Intent—To require cooperatives to collect "service charges" from handlers under the order. At present, cooperatives must negotiate with handlers for the collection of such charges. This has been done successfully in some markets, for some items of "service." The degree of success is, of course, dependent on the respective bargaining power of the two parties as well as the competition among cooperatives if several are operating in the same market. Under the above provision, service charges could be authorized in the order itself. For cooperatives "selling" such services might be easier through a hearing procedure than through negotiation. It would also tend to make the charges more uniform if there were several cooperatives operating in the market.

We believe that we already have this authority under present law, though the language is not as specific as that quoted above. There is no doubt that cooperatives now perform many marketing functions that years ago were carried out by the handlers themselves. And there is no doubt that many, if not all, of these "services" are beneficial to handlers. If they were not performed by

the cooperative, or by someone else, they would have to be performed by the handlers. The difficulty comes in identifying and quantifying the "services" so that fair and just payments are made under the order. For example, how does one quantify the value to a handler of being provided specific quantities of milk on designated days.

b. Recommended USDA position—Opposition, based on our position that these charges should be negotiated between cooperatives and handlers, rather than determined under the order. Negotiation is the free enterprise way of doing this, and it avoids the difficult, if not impossible, problem of identifying and quantifying "services" under the order. The Department of Justice points out that this provision is, in essence, legalized price fixing in an area that should be left to free competition. If, however, the Congress desires to pursue this course, the above language would be preferable to that of the existing law.

v.

P. 5—States that a milk marketing order may provide payment to producers or associations of producers ("before computing uniform prices") . . . for services of marketwide benefit, including, but not limited to, (a) providing facilities to handle and dispose of milk supplies in excess of quantities needed by handlers and to furnish additional supplies of milk needed by handlers; (b) handling of milk on specific days in excess of the quantities needed by handlers; (c) transporting milk from one location to another for the purpose of fulfilling requirements for a higher class utilization or providing a market outlet at any class of utilization; and (d) performing special market services, such as, but not limited to, providing milk assembly, refrigeration, storage, laboratory work, quality supervision, and accounting; but excluding (1) providing economic, education, and legal services for the benefit of all producers. . . ."

a. Intent—To provide that cooperatives may collect "service charges" from the pool, i.e., from the milk proceeds prior to their distribution to producers. In other words, this gives cooperatives two options for obtaining reimbursement for such "services:" (1) from handlers, under the provision discussed in section IV, and (2) from all producer members and non-members, under this provision. With the exception of (c) above, the language of the two provisions is virtually identical. But the impact is considerably different. A non-coop member may well have no major objections to the provision of section IV, i.e., to the collection of service charges from handlers. But such member may object vigorously to the collection of such charges from the pool. The latter would directly reduce the amount of money that the non-coop member would receive for his milk. The cooperatives argue, of course, that these are services of benefit to all producers in the market, both members and non-members. Therefore, say the co-ops, non-members should have no objection to deduction of such charges from the pool. Some non-members would probably agree—but many would not. This is a highly controversial issue.

Note that this provision specifically excludes charges for economic, education and legal services. (A deduction for such services is now authorized in one of our orders.) Apparently this was added at the behest of some members of the Ag Committee in order to make sure that present dairy lawsuits are not financed from the pool.

This provision has many aspects of a "subsidy" for cooperatives. In the long run cooperatives would be weakened by their dependence on government regulation for operating income with its accompanying increased government supervision.

b. Recommended USDA position—Opposition, based (1) on the problems of identify-

ing and quantifying such services (already discussed in section IV), and (2) more importantly, on grounds that such services are not necessarily beneficial to non-coop members. Even if they do have marketwide benefits, it is difficult to justify imposing those benefits on the non-member who does not want them.

In addition, most of these services are of primary benefit to the handler, rather than to the producer. Therefore, they should be collected from the handler. As indicated in section IV, our preference is that this be done by negotiation, rather than through the marketing order.

P. 6—Provides for the establishment of . . . a reserve supply management program . . . designed to prevent unwarranted fluctuations in supplies . . . by compensating cooperating dairy farmers cooperatives and handlers . . . who . . . make their milk available in an efficient and orderly manner as needed.

a. *Intent*—To put under Federal regulation a so-called "standby pool," one form of which is now being operated on a voluntary basis by the cooperatives. The purpose of the standby pool is to ease new Grade A milk producers into the market system without unduly disrupting that system. This has been precipitated by the rapid conversion by producers in recent years from Grade B to Grade A, especially in some areas. If these new Grade A milk supplies were absorbed into the fluid milk market immediately, an excess of milk would have to be pooled under certain marketing orders, and producers in those orders would suffer. Thus, producers now operating under those orders are not anxious to have new Grade A producers enter. But they are willing to pay a few cents per hundredweight to keep that new supply in reserve. In addition, distant producers in an area where milk is in short supply during part of the year are also willing to pay a few cents per hundredweight to keep that new reserve supply available for use when needed. If they can call upon that supply on a moment's notice at a reasonable price, they can keep their handlers happy. Thus, nearby producers pay a little to keep this new supply from coming to their markets; distant producers pay a little to have it come to theirs, but only when needed.

Producers in the standby pool sell their milk to nearby manufacturing plants except when it is needed by the distant market(s). But they receive enough in payments from the other producers that their total returns are approximately comparable to those of their neighbors who are already in the nearby fluid milk market.

The standby pool does ease the transition from Grade B to Grade A, a transition with which dairy producers will have to live until (1) virtually all producers are Grade A, and (2) such producers are gradually absorbed into the marketing system. But such a pool does constitute a modification of the free market system and is, therefore, objectionable to the Justice Department. If standby pools are to be permitted to operate, Justice would much prefer that they operate under USDA jurisdiction, as provided in this legislation, than by the cooperatives themselves.

b. *Recommended USDA position*—Opposition to the legislation, on grounds that it needs greater public exposure and a careful hearing. It is very clear that some kind of Grade B-Grade A transitional mechanism is needed; but it is not at all clear that this provision is the proper mechanism. If government is to operate standby pools or "reserve supply management programs", whichever they are called, how do we decide (1) which producers can come into the fluid milk markets; (2) which must stay out of those markets; (3) which distant markets must contribute to the standby pool; (4) how much the producers must contribute; (5) how much the standby pool recipients are to receive; (6) at what prices will the

standby pool reserve milk be made available to fluid markets; and a whole host of additional questions. In our judgment, legislation at this point would be premature. In addition, cooperatives could lose their Capper-Volstead exemption if proprietary concerns were to be included in the voluntary standby pool. If operated under a Federal program proprietary concerns would be permitted to participate.

VII

P. 8—". . . [I]f one-third or more of the producers . . . in a milk order apply in writing for a hearing on a proposed amendment . . . the Secretary shall call such a hearing. . . . [T]his section shall not be construed to permit any cooperative to act for its members. . . ."

a. *Intent*—Self explanatory. USDA now has discretionary authority in the calling of hearings, and hearing requests are occasionally refused. The above provision would remove that discretionary authority.

There are a number of reasons why hearings may be refused. If, for example, the action requested would not be legal, there is no point in holding a hearing. Likewise, if the action would be clearly contrary to the general philosophy of the Administration, or specific policies of the Department, there is no point in holding a hearing. Hearings cost the government money, and cost producers and handlers money. Those costs simply should not be incurred when there is no chance that the requested action will be granted.

b. *Recommended USDA position*—Opposition, based on (1) potential abuse of the provision, and (2) absence of proven need. As presently written, the provision withdraws all the Secretary's discretion. He could not refuse a hearing for any reason, even illegality of the proposed action. And, if one hearing were held and a request denied, a third of the producers could force the Secretary to immediately call another hearing on the very same issue. Thus, hearings could be used to harass the Department, at great expense to the taxpayer. (Fortunately, this risk is somewhat minimized by the provision which prevents cooperatives from acting for their members.)

This legislation was probably precipitated by our denial some weeks ago of hearing requests on Class 1 prices. Producer associations sought an increase in such prices, an impossible request under the circumstances. Nevertheless, they argued vigorously that they should have had a chance to present their case, even if it would not have been favorably received.

We have an obligation not to be precipitous and arbitrary in evaluating hearing requests. When in doubt, we ought to grant such requests, for it is essential in a free society that people be able to enunciate their views. But neither should we waste time and money in useless proceedings. The application of proper administrative judgment would seem to be preferable to legislating an inflexible approach, as is done in this provision.

VIII

P. 9—Provides that the Secretary shall fix prices under the orders that will ". . . insure a sufficient quantity of pure and wholesome milk to meet current needs, reflect changes in the cost of production, and assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs and be in the public interest."

a. *Intent*—Perhaps simply to clarify the section, but probably also to justify higher order prices. The added language starts with "to meet" and ends with "future needs." Presumably references to levels of farm income are intended to enhance producer arguments for higher order prices. The recent requests for a Class 1 price increase were based primarily on (1) higher feed costs, and (2) an expected decline in net income to dairying.

b. *Recommended USDA position*—Neutrality. We believe that the factors encompassed in the amendment are already implicit in the current language. Thus, the amendment adds nothing substantive to the section. If costs of production are not met, and if an adequate income is not provided to dairy producers, productive capacity will decline, and consumer needs will not be met. The Department now has an obligation to make sure that those needs are met, and this obligation will remain unchanged. Nevertheless, if the amendment is simply to clarify or make more explicit the present language, we see no harm in that.

IX

The Justice Department, in a recent letter to Senator McGovern, has indicated its opposition to these amendments on specific grounds, as well as its general opposition to the anticompetitive tone of the amendments. The Department is also concerned that the intent of at least some of the provisions may be so authorize certain cooperative conduct which is now under prosecution. Several of the specific provisions are directly involved in the litigation. These include the cooperative base plan, the operation of the voluntary standby pool, and the amount of the service charges to handlers.

It is noteworthy that no hearings were held on any of these amendments.

Senator Hart's proposed amendment would delete all these provisions except: (1) the one on productive capacity in fixing Class 1 prices [Section VIII]; (2) mandatory hearings on [Section VII]; and (3) the five year extension of Class L base plans.

Mr. BELLMON. Mr. President, I have reluctantly come to the conclusion that the committee may have been hasty in taking these amendments without giving some of the Members, particularly including myself, the advantages that we perhaps needed to know exactly what we were doing.

Therefore, I have concluded that I am going to support the Hart amendment, in the hope that during the period of time that is involved here, we will go into the matter more thoroughly and know the full extent of the changes we are making. I feel strongly that the dairy marketing cooperatives have done a great job for the dairy industry. I feel that they have in many ways set a pattern that other agricultural commodity groups will need to follow. At the same time, when we make these kinds of changes, we are setting a precedent and establishing laws that will be with us for a long, long time, so that I, for one, believe we are justified in taking a little more time.

Mr. McGOVERN. I rise in support of Senator HART's amendment which would strike from the bill certain provisions relating to dairy marketing orders. It is now clear that we acted upon these provisions in committee without adequate information as to their importance in the milk industry in this country and without full understanding of the consequences of these proposals if they are to become law. Let me hasten to add that I appreciate the thrust of Senator HART's amendment. He has not proposed to delay the extension of authority for class 1 base plans, the armed services milk program, the dairy indemnity program, the modest increase in milk price support, and other provisions on which we should act affirmatively today. This amendment would, however, return other

provisions for more thorough consideration.

The dairy provisions stricken by this amendment from title II would appear to make legal some practices of large milk cooperatives urging these provisions—conduct which is the subject of two pending antitrust law prosecutions by the Federal Government and one by the State of Illinois.

One case, now approaching trial, charges a cooperative with conspiracy to restrain trade and attempting to monopolize milk marketing by employing such predatory practices as depressing and manipulating prices, by loading the pool and thus flooding the market, by denying producers access to haulers, and by unreasonably restraining the rights of its members to withdraw from the organization and to market milk independently. Use of a standby pool and of existing base plans are at the focus of this case.

In addition to two Federal prosecutions, a Federal antitrust suit has been filed by the State of Illinois in Chicago Federal Court seeking equitable relief against use of monopoly power by cooperatives. Again, standby pool manipulations and alleged predatory pricing are at the focus of the case.

More than a dozen similar private antitrust cases have been consolidated by the Federal Judicial Panel on Multi-district Litigation under docket 83, Midwest milk monopolization, and now pend in the Western District of Missouri. These cases involve, either as party defendant or as coconspirator, the major cooperatives which are the proponents of this legislation. This legislation would confirm by statutory enactment, some of the market powers which they are alleged to have used in contravention of antitrust law.

The proposed legislation, summarized under title II, points (2) through (10) on page 2 of the report on S. 1888, appears to confer on some cooperatives wide powers over standby pool and base plan operations, and authorize them to sell milk at below Federal order prices.

Assistant Attorney General Kauper pointed out in a May 25 letter to me that the proposed legislation would frustrate Government prosecutions and confer an even wider exemption from the antitrust laws than the cooperatives now possess under the Capper-Volstead Act.

At the very least, the dairy provisions in question, relating to marketing orders, should be returned to the committee so that hearings may be held, a detailed legislative record can be prepared, and they can be voted on in an informed manner after full development of information about the background, origin, justification, need, purposes, and prospective effects of this type of legislation. This is especially necessary in light of the suggestions of monopolistic abuse which, it is claimed, has already been disclosed in the pending antitrust litigations, both public and private.

I have not commented on the consequences should these provisions immediately become law for both producers and consumers of milk and milk products in

this country. It is tremendously important that these aspects be thoroughly examined in open hearings, where, I am sure, a full discussion can more adequately develop the pros and cons than we are able to do on the floor in consideration of this important legislation. So I urge that Senator HART's amendment be approved and that the provisions in question be given the most careful consideration before we ask the Senate to act upon them.

Mr. NELSON. Mr. President, my decision to vote for Senator HART's amendment to delete the controversial dairy marketing provisions of S. 1888 is prompted mainly by the fact that these provisions were not the subject of specific hearings as formal legislative proposals.

It is true, of course, that the same can be said of many other provisions of this bill, and it is a normal legislative procedure to incorporate in executive committee mark-up sessions pertinent suggestions for legislation that have been made in the course of hearings. However, the difference is that in this case there are very sharp differences of opinion concerning these proposals among farm organizations in my State and those who are in opposition should be afforded an opportunity to have their testimony heard in further hearing before the Senate agriculture committee.

Cooperatives are at the very heart of the ability of the American farmer to compete effectively in the modern marketplace. It is understandable, therefore, that many farm spokesmen are anxious to strengthen cooperatives as a means of protecting the family farmer. I support such efforts almost without reservation, but I am certainly anxious that the farmers themselves be in agreement on the specific changes in law that effectuate such strengthening.

In order that the Congress might make a decision in these matters that is both better understood and more widely supported, I think it is proper that public hearings be held on these milk marketing proposals.

The PRESIDING OFFICER (Mr. HATHAWAY). The question is on agreeing to the amendment of the Senator from Michigan (Mr. HART) No. 158.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. JOHNSTON (after having voted in the negative). On this vote, I have a pair with the distinguished Senator from Idaho (Mr. CHURCH). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Delaware (Mr. BIDEN), the Senator from Idaho (Mr. CHURCH), and the Senator from Virginia (Mr. HARRY F. BYRD, JR.) are necessarily absent.

I further announce that the Senator from Maine (Mr. MUSKIE) is absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from New Hampshire (Mr. COTTON) is absent because of illness in his family.

The Senator from Arizona (Mr. GOLDWATER) is absent on official business.

The result was announced—yeas 80, nays 10, as follows:

[No. 173 Leg.]		
YEAS—80		
Abourezk	Griffin	Montoya
Aiken	Gurney	Moss
Allep	Hansen	Nelson
Baker	Hart	Packwood
Bartlett	Hartke	Pastore
Bayh	Haskell	Pearson
Beall	Hatfield	Peel
Bellmon	Hathaway	Percy
Bennett	Helms	Proxmire
Bentsen	Hollings	Ribicoff
Bible	Hruska	Roth
Brock	Huddleston	Saxbe
Brooke	Hughes	Schweiker
Buckley	Humphrey	Scott, Pa.
Burdick	Inouye	Sparkman
Byrd, Robert C.	Jackson	Stafford
Cannon	Javits	Stevens
Chiles	Kennedy	Stevenson
Clark	Magnuson	Symington
Cranston	Mansfield	Taft
Domenici	Mathias	Thurmond
Dominick	McClellan	Tower
Eagleton	McGee	Tunney
Fannin	McGovern	Weicker
Fong	McIntyre	Williams
Gravel	Metcalf	Young
	Mondale	
NAYS—10		
Cook	Ervin	Scott, Va.
Curtis	Long	Talmadge
Dole	McClure	
Eastland	Nunn	

PRESENT AND GIVING A LIVE PAIR.
AS PREVIOUSLY RECORDED—1

Johnston, against.

NOT VOTING—9

Biden	Cotton	Randolph
Byrd,	Fulbright	Stennis
Harry F., Jr.	Goldwater	
Church	Muskie	

So Mr. HART's amendment (No. 158) was agreed to.

Mr. HART. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had passed a bill (H.R. 8070) to authorize grants for vocational rehabilitation services, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 8070) to authorize grants for vocational rehabilitation services, and for other purposes, was read twice by its title and referred to the Committee on Labor and Public Welfare.

sumer without hurting the farmer. The Secretary of Agriculture has been granted authority by our amendment to issue regulations which would insure a smooth transition when the tax is eliminated so that cost reductions can be quickly passed on. Finally, it is important to note that the payments to the wheat growers are in no way affected by this proposal and the National Association of Wheat Growers are not opposed to the Bayh-Weicker amendment. The funds previously generated by the wheat certificate tax would be financed in a more equitable manner from the General Treasury.

Mr. President, this mechanism of providing price support for wheat is unjust and has penalized both the consumer and the bakery industry. The quicker this tax is eliminated the better off we are in helping to avoid an increase in the staff of life, bread.

Mr. BAYH. I yield back the remainder of my time.

Mr. TALMADGE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Indiana (Mr. BAYH). The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Iowa (Mr. HUGHES), the Senator from Delaware (Mr. BIDEN), the Senator from Idaho (Mr. CHURCH), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from West Virginia (Mr. RANDOLPH) are necessarily absent.

I further announce that the Senator from Maine (Mr. MUSKIE) is absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present and voting, the Senator from Iowa (Mr. HUGHES), and the Senator from West Virginia (Mr. RANDOLPH) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from New Hampshire (Mr. COTTON) is absent because of illness in his family.

The Senator from Texas (Mr. TOWER) is necessarily absent and, if present and voting, would vote "yea."

The result was announced—yeas 77, nays 12, as follows:

[No. 174 Leg.]

YEAS—77

Abourezk	Cook	Hollings
Aiken	Cranston	Hruska
Allen	Dole	Huddleston
Baker	Domenici	Inouye
Bartlett	Dominick	Jackson
Bayh	Eagleton	Javits
Beall	Fannin	Johnston
Bennett	Fong	Long
Bentsen	Goldwater	Magnuson
Bible	Gravel	Mansfield
Brock	Griffin	Mathias
Brooke	Gurney	McClure
Buckley	Hart	McGee
Byrd, Robert C.	Hartke	McGovern
Cannon	Haskell	McIntyre
Case	Hatfield	Metcalf
Chiles	Hathaway	Montoya
Clark	Helms	Moss

Nelson	Roth	Stevenson
Packwood	Saxbe	Symington
Pastore	Schweiker	Taft
Pearson	Scott, Pa.	Thurmond
Pell	Scott, Va.	Tunney
Percy	Sparkman	Weicker
Proxmire	Stafford	Williams
Ribicoff	Stevens	

NAYS—12

Bellmon	Ervin	Mondale
Burdick	Hansen	Nunn
Curtis	Humphrey	Talmadge
Eastland	McClellan	Young

NOT VOTING—1

Biden	Cotton	Muskie
Byrd,	Fulbright	Randolph
Harry F., Jr.	Hughes	Stennis
Church	Kennedy	Tower

So Mr. BAYH's amendment (No. 155) was agreed to.

Mr. BAYH. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SAXBE obtained the floor.

Mr. GRIFFIN. Mr. President, will the Senator from Ohio yield to me briefly, for the benefit of Senators now in the Chamber who would like to know about the schedule, when to go home to dinner, and so forth?

Mr. SAXBE. I yield.

Mr. GRIFFIN. Would the distinguished majority leader give us some idea of what we can expect for the remainder of today, and tomorrow?

Mr. MANSFIELD. Mr. President, I am delighted to respond to the distinguished acting minority leader.

My understanding is that the amendment to be offered by the distinguished Senator from Ohio (Mr. SAXBE) shortly will be the last one to be offered tonight and that there will be a yea and nay vote on it; is that correct?

Mr. SAXBE. That is correct.

Mr. MANSFIELD. Then, of course, beginning at 12 o'clock noon tomorrow, we go back on the pending business. There is a possibility that it might be completed tomorrow night, but my guess at the moment is that it might be Friday, instead.

That will be followed by consideration of the nomination of Robert H. Morris of California, to be a member of the Federal Power Commission. That, in turn, next week, will be followed by the Department of State authorization bill. Then there are other bills on the calendar.

At this time, I wonder whether the distinguished Senator from Ohio would consider the possibility of a 20-minute time limitation on his amendment as a convenience to Members?

Mr. SAXBE. That will be fine.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the amendment of the distinguished Senator from Ohio (Mr. SAXBE) is laid before the Senate, there be a time limitation of 20 minutes on it, to be equally divided and controlled by the sponsor of the amendment and the manager of the bill, the Senator from Georgia (Mr. TALMADGE).

The PRESIDING OFFICER (Mr. GRAVEL). Without objection, it is so ordered.

AMENDMENT NO. 195

Mr. SAXBE. Mr. President, I call up my amendment No. 195 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 9, line 5, strike out ";" and "and" and insert in lieu thereof ".

On page 9, beginning with line 6 strike out all down through line 12.

Mr. SAXBE. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. SAXBE. Mr. President, this amendment goes to paragraph 3(c) of the bill which would require a fixed support of 80 percent of parity, or \$5.61 a hundredweight, for the manufacture of milk. This support price would be effective for the remainder of the current marketing year which ends on March 31, 1974. My amendment would delete that provision.

The reason is that this highly inflexible support would contradict the judgment and the discretion of the Secretary of Agriculture who already has determined a support price of \$5.29, or 75 percent of parity, during the 1973-74 marketing year, which would assure an adequate supply as required by the present statute.

In my mind, the higher support that would be required under the provisions of the bill in its present form is not necessary and would be relatively ineffective in encouraging greater production of milk over such a short period of time.

The market price is already as high as would be required by the present legislation in the farm bill now.

In May, the average price received by producers was \$5.60 per hundredweight. Market prices have been continuing strong especially during the productive months this fall, and should average well above present parity for the entire year.

I believe that increasing the support price to 80 percent of parity does not require new legislation. It is authorized, if determined necessary by the Secretary of Agriculture under the present statute. That goes back to the act of 1949.

Consumers are concerned about the soaring price of food. We are leading into the worst inflation since the Korean war. This works out to a 10-percent increase in food prices in 1973 and 1974. 4 percent higher than projected earlier.

Overseas demand continues high for other U.S. farm products, higher dairy supports hurt our chance for successful negotiation in Geneva for expanded concessions with the ECC on feed grain, and citrus—also tobacco.

In further regard to trade, the drafting of this bill and consideration of it comes at the worse possible time. International opinion of the dollar and the productivity of the United States is at a low ebb, and further and higher dairy supports will add fuel to an already blazing attack on our currency and our abilities to produce the wrong commodities at the wrong times.

I believe that in this farm bill, the entire Nation has the right to know whether the Senate will be realistic as to what it

costs to produce milk. While the farmer is getting a fair price for his milk, but certainly increasing the 5 percent, the mandatory amount to be paid for milk, is not in keeping with trying to protect both farmers and consumers. It can lead to a great number of additional problems, and certainly it is one that is not going to attract the support for the bill that it needs. This would make a better bill out of it.

Mr. AIKEN. Mr. President, will the Senator from Ohio yield?

Mr. SAXBE. I yield.

Mr. AIKEN. The Senator referred to \$5.65 received by the farmers. Was he referring to the base price or the blend price?

Mr. SAXBE. The base price is \$5.29, which is the—the base price is 75 percent of parity.

Mr. AIKEN. For what period was that?

Mr. SAXBE. Current.

Mr. AIKEN. Now?

Mr. SAXBE. Now, for 1973-74. But the actual market price—

Mr. AIKEN. We have the price for May. In the Northeast, at least, 2 percent more of the production was required for table use than a year ago in May. That percentage is rising as production is slowly dropping.

We are having to import the equivalent already of 1 billion pounds of fluid milk from overseas to meet the requirements for cheese and candy manufacturers. That has not affected the price at all. The price of \$5.65 is the blend price in Ohio, or considerably less, is it not?

Mr. SAXBE. The national average is \$5.60.

Mr. AIKEN. The price received now by the dairy farmer is approximately 80 percent of parity at the marketplace.

Mr. SAXBE. That is right, and that is why I say this is unnecessary and puts inflexibility into the thing.

Mr. AIKEN. What harm does that do if the market price is 80 percent and the prospects are that the supply of milk will be short from now on and is being reduced steadily? For instance, in my area in New England, where there were 4,300 to 4,400 producers 5 years ago, it is now down to about 3,400. Almost 20 percent of them have had to quit business. The price of beef and calves are also increasing and they are not raising cows for the milk supply that they used to. That is something to worry about.

I do not think that a 2-percent restriction on imports on milk equivalents is high enough to meet our requirements. If we do not let them bring in here the skim milk powder for the manufacture of cheese, there will be a tremendous demand to bring down the price of cheese itself, and that will be costly to our dairy business here. So I think we may have to bring in more than 2 billion pounds of milk equivalents at the close of the year, which has been provided for in the bill, because in the past 3 or 4 months we brought in half that amount already.

Mr. SAXBE. There will be an amendment on that aspect of it. What I am saying is that this does not go to the implications of the 2-percent level.

Mr. AIKEN. While I fully expect that the House might itself reduce that 80-percent minimum, I am not so sure it would be wise to do it now with the marketplace.

Mr. SAXBE. I think that the Senate, as much as the House, wants to demonstrate to the consumers of this country that we are interested in reasonable prices for milk. I am somewhat familiar with dairy problems.

The PRESIDING OFFICER (Mr. CLARK). The Senator's 10 minutes have expired.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. TALMADGE. Mr. President, I am prepared to yield back my time and vote, if the distinguished Senator from Ohio is prepared to do likewise.

Mr. SAXBE. I am prepared to yield back the remainder of my time.

Mr. TALMADGE. Mr. President, dairy support prices are fixed at not less than 75 percent of parity. The Committee on Agriculture and Forestry decided, in view of the problems facing the dairy industry, that there would be a one-shot increase in dairy support prices to 80 percent of parity. It would expire with the end of the marketing year, March 31 of next year. The reason the committee made that decision was largely because of the enormous increased costs in the price of feed that the dairy farmers must pay at the present time.

For example, in May 1971, 44 percent soybean meal cost \$113.40 per ton. The price in May 1973 had advanced to \$304 per ton, and I believe today's Wall Street Journal shows it in excess of \$400 per ton. Corn prices in May 1972 were \$1.15 a bushel; in May 1973, \$1.61 a bushel.

That is what is happening as a result of the cost of the principal ingredient that goes into milk, and that is feed—to wit, grain and protein, which is primarily soybean meal.

What is happening to the production of dairy commodities? In January-March 1972, the dairy industry produced 17.2 billion pounds. This year, there was a reduction in January-March 1973, to 16.7 billion pounds. The number of producers had decreased from 137,864 in March 1972 to 133,133 in March 1973.

These are the statistics as to the number of cows: In 1963, there were 15.7 million; in 1971, 11.9 million; in 1972, 11.8 million, in 1973, 11.6 million.

The dairy industry is one of America's most important industries. As I recall, the value of the product produced annually is approximately \$7 billion. Yet, it is an industry that is rapidly going out of business because the return on the investment is so low. People are finding other utilization for their cattle.

We had a number of people from the dairy industry appear before the Committee on Agriculture and Forestry when we held our hearings. I do not recall a single witness from the dairy industry who received a return as large as 3 percent. They would be better off if they could sell their capital assets and invest their money in a few bonds and sit on the front porch and do nothing.

Senators know that the dairy business

is a 7-day-a-week job. When I was a boy, I heard a classic remark about the dairy business in Telfair County. There was only one dairyman in the county. He was somewhat of a wit, named Williams. He said:

A man in the dairy business doesn't need any Sunday clothes and damn few every day.

That was correct then, and it is still correct.

Mr. President, I believe the Senator from Minnesota desires some time. I am prepared to yield to him whatever time I have remaining, and then we can vote.

I yield to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, this amendment, if adopted, would strike a very serious blow at the dairy producers of this country.

The chairman, in his inimitable fashion, has stated the facts very succinctly. Let me simplify them even more.

There is a reduction in the number of dairy producers, dairy farmers. There is a reduction in the number of cows. There is a reduction in production. There is an increase in consumption and a fantastic increase in feed prices. May I suggest that there is no indication that those feed prices are going to be lowered appreciably in the near future.

Furthermore, 75 percent of parity is \$5.29; 80 percent of parity is \$5.61; and I believe that the present market price today is \$5.60.

So what we are really doing here is merely trying to give a little better floor to the dairy producers for a product that this country needs, for an industry that is a high-cost industry, and for a form of production that requires intensive labor.

I would hope that we would reject any effort to push down these dairy farmers any further. We have had a very bad time today for our dairy farmers.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOLE. I think it should be pointed out that we use great restraint in the number of measures introduced by 20 or 30 Senators asking that it be raised to 85 percent of parity on a permanent basis; and the committee, in its wisdom, or lack of it—depending on one's point of view—decided that we should adopt an 80 percent support price. I think we acted very responsibly, based on the points expressed by the distinguished chairman and the distinguished Senator from Minnesota.

Mr. HUMPHREY. The Senator from Kansas and I joined on this 80 percent amendment. It had the support of the committee. It seems to me that it is a most modest proposal, and I think that to do less would make this country suffer grievously.

I must say—to get it off my chest—that I feel that many people in the urban areas of this country think cows are born weighing about 800 pounds and sitting on a milk bottle.

It is interesting that the cost of other items go up and it is all right. But when the cost of a glass of milk goes up, they say, "Stop that."

When it comes to a farmer who is working his heart out, many people want

to turn their back on him. That is apparently the tendency in this country today.

I say to my urban friends that the best deal they get today is from the American farmer. The cost of dairy products has gone up a lot less than the price of chewing gum and a lot less than the price of a newspaper. The farmers of this country are entitled to a fair deal, and the minute they start to get a fair price, after having worked their hearts out, somebody says, "You have to stop that." But they will be right in there to do a little collective bargaining for themselves—and I support the labor people of this country. Certain management people will be right in there to get those postage rates adjusted. Do they like cheap postage.

Mr. President, I am going to give the dairy farmers my vote. They are entitled to it and they are going to get it.

The PRESIDING OFFICER (Mr. GRAVEL). All time is expired on the amendment.

Mr. CURTIS. Mr. President, I yield 3 minutes to the distinguished Senator from Ohio on the bill.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. SAXBE. Mr. President, I have asked for additional time simply because I wish to say that from some of the rhetoric that has come in we might call this a ruptured cow bill or amendment. The thing that disturbs me is that a pathetic picture is painted of the dairy farmer, struggling to produce, but this is not the case. We used to expect 8,000 pounds of milk from a cow and now it is 15,000 pounds. It used to be that a farmer could get along on 10 or 12 cows, but he cannot any more. The reason the number of dairies is dropping down is because they have to go to 100 and 200 cows. The dairy with 10 or 20 cows is going out of business. He cannot stay in business. He has to have the same sanitary equipment as the dairy farmer with 200 cows must have.

Mr. President, the dairy farmer is doing all right. If we wade through the rhetoric here, we come down to the fact that we are raising the price of milk to the consumer. I want the consumers of this country to know that. The dairy farmer is doing all right. He is making money. He is not bleeding and dying out there, losing his farm. He has a pretty good job. He has cows that produce 18,000 pounds of milk a year. He is doing a pretty good job producing. We recognize that when everything else goes up and we put the lid on, we say, "Here is a bill with a little of something for everyone in it and here is something for you."

I do not question that the opponents will pick up the necessary votes but I say again that we are increasing the price of milk to the people and in the long run I think we will have to do some explaining about that.

Mr. BUCKLEY. Mr. President, in principle I fully support the amendment introduced by the distinguished Senator from Ohio (Mr. SAXBE) just as I oppose the rigid and arbitrary provision for target prices contained in S. 1888. It must,

however, be considered in the context of the act as a whole which, unfortunately, seems destined to return.

Under these circumstances, and because the mandatory 80-percent parity provision for milk is only of a 1-year duration before flexibility is restored, I will not be supporting the amendment.

The dairy industry in the Northeast has not shared the good fortune of the producers of feed grain. Quite the contrary, the record prices that feed grains have commanded over recent months when combined with the devastation of forage caused by the Agnes hurricane last summer has had a devastating effect on milk producers. These unusual circumstances which have placed the dairy industry in so different a position than that of the farmers affected by the target price provisions in themselves argue for a period of transition.

Therefore, taking into consideration the realities of the legislation which will be adopted by this body, I feel that the 1 year, 80 percent of parity provision contained in this act is a reasonable offset for the probable impact on feed grain prices that will result from other provisions in the act.

I make these observations, Mr. President, because I want to underscore my strong preference for a loosening of governmental interference across the boards.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the amendment. The yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from Idaho (Mr. CHURCH), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Iowa (Mr. HUGHES), the Senator from Alabama (Mr. SPARKMAN), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

I further announce that the Senator from Maine (Mr. MUSKIE) is absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) and the Senator from Iowa (Mr. HUGHES) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from New Hampshire (Mr. COTTON) is absent because of illness in his family.

The Senator from Texas (Mr. TOWER) is necessarily absent, and, if present and voting, would vote "yea."

The result was announced—yeas 16, nays 72, as follows:

[No. 175 Leg.]

YEAS—16

Beall	Pastore	Taft
Case	Pell	Tunney
Griffin	Percy	Weicker
Mathias	Ribicoff	Williams
McClure	Saxbe	
Packwood	Stevens	

NAYS—72

Abourezk	Eagleton	Magnuson
Aiken	Eastland	Mansfield
Allen	Ervin	McClellan
Baker	Fannin	McGee
Bartlett	Fong	McGovern
Bayh	Goldwater	McIntyre
Bellmon	Gravel	Metcalf
Bennett	Gurney	Mondale
Bentsen	Hansen	Montoya
Bible	Hart	Moss
Brock	Hartke	Nelson
Brooke	Haskell	Nunn
Buckley	Hatfield	Pearson
Burdick	Hathaway	Proxmire
Byrd, Robert C.	Helms	Roth
Cannon	Hollings	Schweiker
Chiles	Hruska	Scott, Pa.
Clark	Huddleston	Scott, Va.
Cook	Humphrey	Stafford
Cranston	Inouye	Stevenson
Curtis	Jackson	Symington
Dole	Javits	Talmadge
Domenici	Johnston	Thurmond
Dominick	Long	Young

NOT VOTING—12

Biden	Fulbright	Sparkman
Byrd,	Hughes	Stennis
Harry F., Jr.	Kennedy	Tower
Church	Muskie	
Cotton	Randolph	

So Mr. SAXBE's amendment was rejected.

Mr. TALMADGE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. ROBERT C. BYRD. Mr. President, I move to table the motion to reconsider.

The motion to lay on the table was agreed to.

AMENDMENT NO. 208

Mr. AIKEN. Mr. President, I send to the desk an amendment and ask to have it printed and lie on the table so that it will be available and ready to be worked upon by the Senate tomorrow.

Mr. President, in short, this amendment would restore the good parts of the bill which were taken out by the Hart amendment and also restore 2 Talmadge amendments, excellent and necessary ones, which were approved unanimously by the Senate yesterday but which were also stricken out by the all-inclusive Hart amendment.

I submit the amendment in behalf of Senators HUMPHREY, DOLE, and myself.

The PRESIDING OFFICER. The amendment will be received and printed and will lie on the table.

Mr. BUCKLEY. First of all, Mr. President, let me state that I shall not be calling up my amendments No. 160, 161, and 162.

Mr. President, I ask unanimous consent that Miss Joan Carroll and Mr. Dan Buckley of my staff be granted the privileges of the floor during the remainder of the consideration of S. 1888 and that that privilege extend through the rollcall votes.

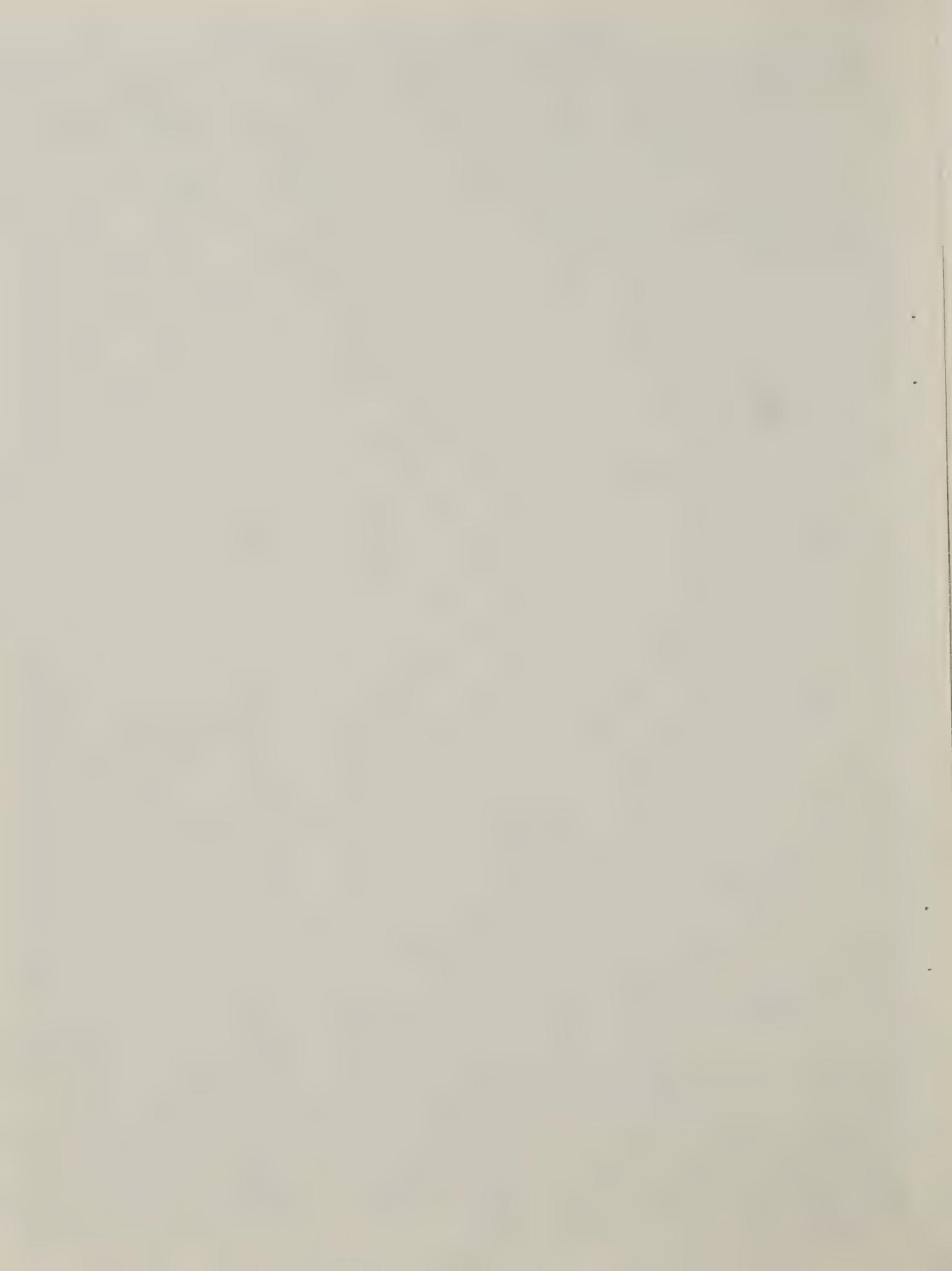
The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 188

Mr. BUCKLEY. Mr. President, I call up my amendment No. 188 and ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Amendment No. 188 is as follows:



SENATE CONTINUED DEBATE

ON

S. 1888

June 7, 1973

where near accurate, then the cost to the Government is nothing or negligible. It is entirely possible in the coming year that the cost will be practically negligible because of the high demand for agriculture products. Therefore, I hope the Senate overwhelmingly rejects the amendment before us.

Second, I wish to say to the Senator from Kansas that I recognize the problems we are having with the REAP program. While I have been a strong supporter for the program as it is or should be operative, I am hopeful we can get something going. I think the Senator's approach offers us a chance to get some kind of rural environmental assistance program underway, not as large as I would like and I am sure not as large as the Senator from Kansas would like, but I believe it offers something, and I intend to support the Senator's amendment.

Mr. DOLE. Mr. President, I appreciate the comment of the Senator from Minnesota. It does give us something to start on. I think it is hopeful we can secure the adoption of the amendment later.

With respect to the amendment of the Senator from New York, it is my understanding that as of yesterday the USDA indicated no objection to the target price concept. The objection, if any, of the USDA is the price established, the so-called target price. I am of the opinion, since the administration now seems to have changed its position on the so-called target price concept—we are not really arguing about the amendment of the Senator from New York, because I assume it is an amendment suggested by the administration—and if they have now changed their position, it seems to me the only dispute would be as to whether the price for wheat should be, for example, \$2.20 or \$2.50, or whether it should be, for example, \$1.53 for corn, or some other price for corn.

So I would hope, notwithstanding the sincere efforts of the Senator from New York, that his amendment would be defeated.

The PRESIDING OFFICER. Who yields time?

Mr. TALMADGE. Mr. President, I am prepared to yield back my time and vote, if the Senator from New York is.

Mr. BUCKLEY. Mr. President, I suggest the absence of a quorum, chargeable to me.

The PRESIDING OFFICER. On whose time?

Mr. BUCKLEY. On my time.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, I am prepared to yield back my time and proceed to a vote, if the Senator from New York is.

Mr. BUCKLEY. Mr. President, I am prepared to yield back the remainder of my time.

Mr. TALMADGE. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time on the amendment has been yielded back.

The question is on agreeing to the amendment of the Senator from New York (No. 188), as modified. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT) and the Senator from Delaware (Mr. BIDEN) are necessarily absent.

I further announce that the Senator from Maine (Mr. MUSKIE) is absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present and voting, the Senator from Arkansas (Mr. FULBRIGHT) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from New Hampshire (Mr. CORTON) is absent because of illness in his family.

The Senator from Virginia (Mr. SCOTT) is detained on official business.

The result was announced—yeas 14, nays 80, as follows:

[No. 176 Leg.]	
YEAS	14
Beall	Mathias
Buckley	Pastore
Case	Pell
Dominick	Percy
Goldwater	Ribicoff
Abourezk	McGovern
Aiken	McIntyre
Allen	Fong
Baker	Gravel
Bartlett	Griffin
Bayh	Gurney
Bellmon	Hansen
Bennett	Hart
Bentsen	Hartke
Bible	Haskell
Brock	Hatfield
Brooke	Mathaway
Burdick	Helms
Byrd,	Hollings
Harry F. Jr.	Hruska
Byrd, Robert C.	Huddleston
Cannon	Hughes
Chiles	Humphrey
Church	Inouye
Clark	Jackson
Cook	Javits
Cranston	Johnston
Curtis	Kennedy
Dole	Long
Domenici	McClellan
Eagleton	McClure
Eastland	McGee
NOT VOTING—6	
Biden	Fulbright
Cotton	Muskie
Scott, Va.	
	Stennis

So Mr. BUCKLEY's amendment was rejected.

Mr. TALMADGE. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. PERCY. Mr. President, I have amendment No. 191 at the desk. I ask that it be stated.

The PRESIDING OFFICER. The clerk will read.

The legislative clerk read as follows:

On page 10, line 19, strike out all through page 12, line 8, and renumber the succeeding paragraphs accordingly.

Mr. PERCY. Mr. President—

Mr. TALMADGE. Mr. President, will the distinguished Senator from Illinois yield?

Mr. PERCY. I am happy to yield.

Mr. TALMADGE. Is it agreeable to the Senator to shorten the time on this amendment?

Mr. PERCY. Mr. President, I do not feel that the amendment would require much time. I have three amendments—Nos. 190, 191, and 192. In order to move the bill toward final passage, obviously if the distinguished chairman of the committee will accept any of the amendments, there will be no need for rollcall votes. If the chairman objects to that, would he be willing to limit the time to 20 minutes on each amendment?

Mr. TALMADGE. Mr. President, I ask unanimous consent that on each of three amendments to be proposed by the distinguished Senator from Illinois there be a limitation of 40 minutes, 20 minutes to a side.

Did the Senator say 20 minutes to an amendment?

Mr. PERCY. Twenty minutes on each amendment, the time to be equally divided—10 minutes to a side.

Mr. TALMADGE. Mr. President, I modify my unanimous consent request accordingly.

The PRESIDING OFFICER. Is that for all three amendments?

Mr. PERCY. Twenty minutes for each amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, would it be agreeable to Senators to limit the time on each rollcall for the remainder of the day to 10 minutes?

Mr. PERCY. That is certainly acceptable to the Senator from Illinois.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time on each rollcall for the remainder of the day be limited to 10 minutes.

Mr. CURTIS. Mr. President, reserving the right to object—and I shall not object—will a notice go out to the various offices?

Mr. ROBERT C. BYRD. The warning bell will be sounded after 2½ minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. PERCY. Mr. President, very simply, amendment No. 191, a copy of which is on the desk of each Senator, is supported by the Department of Agriculture. It strikes the language in the bill beginning on line 19, page 10, through line 8, on page 12. This is the section of the bill that prohibits the quantity of dairy imports which may be imported in any calendar year for food use from exceeding 2 percent of the total annual consumption of dairy products in the preceding calendar year, except that the President

may increase the total quantity which may be imported if he determines that such increases are required by overriding economic or national security interests of the United States.

Dairy products included in the import quotas would include first, all forms of milk and dairy products, butterfat, milk-solids-not-fat, and any combination or mixture thereof; second, any articles, compound, or mixture containing 5 percent or more of butterfat, or milk-solids-not-fat, or any combination of the two; and third, casein, caseinates, lactose, and other derivatives of milk, butterfat, or milk-solids-not-fat, if imported commercially for any food use. Dairy products would not include those dairy products for industrial use—not to be used as an ingredient of food, or articles not normally considered to be dairy products, such as candy, bakery goods, and so forth.

Mr. President, I have five major objections to this section of S. 1888.

FOOD VERSUS INDUSTRIAL USES

The Foreign Agricultural Service of the Department of Agriculture points out to me that there is very likely to be confusion between food use and industrial use of dairy products. Some dairy products are used for both purposes and final usage is not known at the time of importation. Thus, the administering authorities would either have to assume that all imports of such articles were for food use, or, alternatively, set up policing machinery to check on declared intentions of industrial use.

ADMINISTRATION

The Department has also informed me that controls established under the proposed legislation would be extremely difficult to administer. The new law would require the extension of import quotas to cover all dairy products. The new feature of linking the permissible import total to the preceding year's consumption would involve additional complications, in that milk consumption estimates separating food and nonfood usage are not presently available and, even if constructed, would be of questionable reliability. Also, the bill would in effect require administrative limitation of imports during the first half of the year until the total permissible amount could be determined on the basis of domestic production and consumption reporting. Furthermore, a running tally of imports on a milk equivalent basis would be necessary unless the whole import pattern was frozen in advance by quotas and licensing—and in the event of licensing the resulting inflexibility would prevent the maximum overall level from ever being reached.

In other words, the department responsible for administering the law that we would be passing, says they do not know how it can equitably be administered, that they do not see how they can make the law work and carry out and implement it. If there is that much fuzziness over definitions and terms and products that would be classified, or that they would be required to classify, then I think this provision is unsound.

Because of the enormous diversity of dairy products and of food products containing milk solids, the bill would have to be administered on the basis of "milk equivalent" of the various products. This would force construction of a complex and highly red tape restrictive system of recordkeeping and licensing control which would throttle business and, in effect, make full utilization of the 2-percent limit nearly impossible.

The clause allowing the President to increase imports on grounds of "overriding economic or national security grounds" would be cumbersome to use particularly in dealing with spot shortages and temporary situations.

Mr. President, let us face it. What would be the situation today? What do we have existing today that might be considered overriding economic or national security grounds? If we look at it from the standpoint of the producer, they would obviously say no. If we look at it from the standpoint of the consumer faced with a threatened 7 or 3 cents a gallon increase in milk in Chicago within the next few weeks, they obviously would say yes. For the lower income families this would mean, of course, that it would be an economic factor. But how do we really determine what is fair under those conditions? The Department of Agriculture objects because of that particular provision.

Mr. AIKEN. Mr. President, will the Senator from Illinois yield?

Mr. PERCY. I am very happy to yield to the distinguished Senator from Vermont.

Mr. AIKEN. I simply want to say that I am bothered somewhat by this provision in the bill because I do not think it will work. Five years ago, we were importing milk products at the rate of approximately 4 percent. Only 5 years ago it got up to the rate of 9 billion pounds of milk equivalent a year. Then President Johnson stepped in and put the import quota back to where it should have been. He had to do that twice. When President Nixon came in, he carried out the policy as provided by law very well. Now we have had to import a great deal of dry milk for cheese and the candy manufacturers. If we had not done that, there would have been a tremendous demand for the import of the finished product from overseas. A big increase in the importation of finished dairy products would seriously injure our own industry.

Now during the last 4 months we have imported about 1 billion pounds of milk equivalent in the form of powdered skim milk, from other countries, but it has not reduced the price to the American farmer in any way. It has simply prevented an acute shortage of domestic cheese. The price is still up considerably more than it was a year or so ago. So I think we would be taking quite a risk in restricting the importation of all dairy products to 2 percent milk equivalent. We may be up pretty nearly to that now in all imports of cheese and other milk products.

Mr. PERCY. I think it is running about 1½ percent now.

Mr. AIKEN. It is not quite 2 percent, I

believe. We hope that we will not have to import more than that, but milk production is dropping and then it will become infinitely more costly, with the price of grain and everything else that goes into the making of milk products going up. So I think we had better leave that law as it is now, because I have confidence that whoever is President in the future—and we cannot see very far ahead—will see to it that the American dairy industry is protected from dumping of foreign imports such as was underway 5 years ago when President Johnson stepped into the picture and put a stop to it.

Mr. PERCY. I thank my distinguished colleague who, as in the past, has been the ranking minority member of this very important committee.

The point he has made leads directly to the third reason why I oppose this section of the bill.

TRADE

Trade problems are at the forefront of this amendment. Section 22 controls now in effect—and which the Department feels are working well to protect America's dairy industry—have been regularized under the General Agreement on Tariffs and Trade—GATT—through a waiver by the contracting parties—the countries of GATT. Section 22 of the Agriculture Adjustment Act permits quotas to be imposed after certain procedures have been followed to determine their need. The purpose of these quotas is to prevent imports from disrupting a U.S. domestic support system. Such quotas are allowed under GATT article XI if production of the commodity protected by quotas is being controlled. The United States obtained a GATT waiver, and it submits to annual review of its section 22 quota program in GATT.

Unquestionably our trading partners would view the proposed legislation as being outside the waiver and unnecessarily restrictive of trade. Therefore, if enacted, the legislation would probably be used by other countries as a rationale for restrictions that would hamper U.S. agricultural exports. In brief, the United States could well lose more than it would gain through this legislation because the restrictions on our export trade could well more than offset any possible advantage gained by more rigorous restrictions on dairy imports.

By legislatively freezing import limits, the bill would tie the hands of U.S. negotiators at the forthcoming trade negotiations. This should not be done for any commodity, including dairy products.

At this very time we are trying to persuade our European trading partners to lower their import barriers to our agricultural goods, so why at this very time should we put a legislated quota on dairy imports. Any retaliation that might occur could have more harm on other U.S. agricultural exports.

UNNECESSARY

The Department further feels that this 2-percent limit is unnecessary for protection of the domestic dairy industry. Existing section 22 import quotas effectively control imports, which in most re-

cent years have been held to 1.4 to 1.8 percent of domestic dairy industry.

COST

By having a legislated limit on imports, this could limit supplies thus increasing the price of dairy products.

I realize that current dairy imports are running at the level of about 1½ percent of domestic consumption and that this provision of the bill would not appear to reduce dairy imports. However, it would fix a limit in a law for the level of dairy imports and not allow flexibility to the Department of Agriculture to adjust import levels as conditions might warrant. Further, as I have already pointed out, the provisions of the bill would be in contradiction to our GATT obligations, thus legally sanctioning retaliation by other countries against other U.S. agricultural exports.

Therefore, Mr. President, I urge adoption of my amendment.

Mr. HUMPHREY. Mr. President, will the Senator from Georgia yield to me?

Mr. TALMADGE. I promised to yield to the Senator from Kansas (Mr. Dole) in view of the fact that it is his amendment. How much time does the Senator from Kansas desire?

Mr. DOLE. Five minutes.

Mr. TALMADGE. I yield 5 minutes to the Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas is recognized for 5 minutes.

Mr. DOLE. Mr. President, I rise in opposition to the amendment of the senior Senator from Illinois to strike from the bill the 2-percent limitation on imports of dairy products.

Under existing law, section 22 of the Agricultural Adjustment Act of 1933, quotas can be imposed on dairy products as a means of limiting imports when it is found that they are interfering with the operation of the dairy price support program. In 1972 dairy imports represented about 1.5 percent of the total domestic consumption of dairy products in this country.

The committee bill would prohibit imports of dairy products in excess of 2 percent of domestic consumption. However, it would permit the President to increase the total dairy imports if he found that such an increase were required by overriding economic or national security interest of the United States.

The pending amendment would strike the above provisions of the committee bill.

The dairy industry has become increasingly alarmed by expanded imports of dairy products such as the increase of the quota on non-fat dry milk from 1.8 million pounds to 25 million pounds. Therefore, they felt that the provisions of section 22 of the Agricultural Adjustment Act of 1933 needs strengthening. The dairy farmers of this country have a great deal of difficulty staying solvent and they are in a particularly bad position now because of dramatically rising feed prices. I think there was an example yesterday in which soybean meal had gone from about \$90 a ton last year to about \$430 a ton this year. During the past 2 years, dairy production in this country has been decreasing at a time

when both population and demand for dairy products has been increasing. It will be a very bad situation, indeed, if we fail to give dairy farmers in this country the income protection to meet domestic needs for dairy products. It would be extremely unfortunate if we allow our dairy farmers to go out of business and come to rely heavily on foreign countries for a basic food such as milk.

Moreover, American dairy farmers look with alarm at the prospect of increased imports because they know that many countries which export dairy products provide heavy subsidies for their dairy farmers. The European Common Market countries operate under a clearly posted system of export subsidies. For example, the posted subsidy for butter from the Common Market as of November 20, 1972, was 54.18 cents per pound. The subsidy for non-fat dry milk was 5.91 cents per pound. The Swiss cheese export subsidy was 22.31 cents per pound.

Mr. President, we cannot allow the American market to become the dumping ground for the surplus dairy products of the world. Not only will this have an adverse impact on our already tenuous trade position and our shaky American dollar, but it will not serve the long-term best interests of the consumer. The American consumer can be assured of a stable supply of dairy products only if it is produced in this country. Therefore, I hope the Senate will uphold the committee position and reject the pending amendment.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter from R. F. Anderson, of the National Cheese Institute, and further explanatory material with reference to the amendment.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL CHEESE INSTITUTE, INC.,
May 1, 1973.

The Hon. RICHARD M. NIXON,
President of the United States,
Washington, D.C.

DEAR MR. PRESIDENT: The National Cheese Institute is a non-profit corporation whose members are broadly representative of the cheese industry. They include small and large dairy cooperatives, processors large and small, foreign and domestic producers as well as importers. But most of our members represent medium-sized operations that make and sell cheese in America.

The industry's reaction to the cheese import proclamation has been mixed. Makers of specialty-type cheese expressed the gravest doubts. Others said the unilateral trade concession seemed unnecessary in that the United States gave away a valuable trading chip for nothing. Others felt we should wait and see the results and offer our suggestions when appropriate.

We have just held our 46th annual meeting. The final session Tuesday evening, April 24, was climaxed by an address by Senator Bob Dole. Senator Dole admonished us to be more energetic in telling our side of the story. To emphasize this point he said, "President Nixon has observed 'The continued success of our free enterprise system depends in large measure, upon mutual trust and goodwill of those who consume and those who produce or provide.'" (Senator Dole went on to say) "I would state it in the negative. What the consumer doesn't know, hurts you."

And we must carry the Senator's thought another step and say "What the government doesn't know, hurts us!" To illustrate we quote Commissioners Leonard and Young in their additional statement regarding the Tariff Commission's April 9, 1973 report to you, . . . "we cannot make a determination that each cheese's annual quota . . . may be increased by 50 percent for 1973 without reducing substantially the amount of product processed in the United States from domestic milk . . . We are unable to make that further determination because the investigation . . . did not reveal sufficient information . . ."

The Tariff Commission's report (page 7) said "Imports of the specialty-type cheese, chiefly blue-mold, 'aged' Cheddar, Edam and Gouda (whether or not processed), and Italian-type cheese (whether or not in original loaves), are priced substantially above comparable domestically produced cheeses."

Therefore, it is difficult to imagine these higher priced cheeses holding down prices. Consumers of specialty cheese apparently are willing to pay the substantial price differential. If this is correct then the overall average food costs will increase under the new quota arrangement, contrary to the expectations of the Cost of Living Council.

Furthermore the potential havoc to the domestic producers of these specialty cheeses is awesome. For example, there are only twelve plants producing blue-mold cheese in the United States. They make about 25 million pounds of cheese a year. The new annual import quota for this specialty cheese is 7.5 million pounds or about ½ of the U.S. production. Or consider the manufacturers of Edam and Gouda, the overall new import quota for these types for 1973 is 18.5 million pounds which equals or exceeds domestic production.

We are concerned that certain imported specialty cheese, even though higher priced, may, because they do appeal to the gourmet's desire for imports, replace comparable domestic specialty cheese. The end result would be a reported higher average price for all cheese which could unfairly trigger government action to control the entire cheese industry. The domestic cheese industry is and has cooperated with the goals of the Cost of Living Council to hold down food prices and supply the growing demand for protein rich food.

Therefore, Mr. President, we will follow the advice of Senator Dole and keep the consumer advised about our efforts to supply cheese at a reasonable price. We will also keep you informed about the impact of specialty cheese imports and whether they reduce substantially the amount of those cheeses produced in the United States from domestic milk.

Respectfully,

R.F. ANDERSON,
Executive Director.

BACKGROUND ON IMPORTS OF DAIRY PRODUCTS

Present permanent quotas for dairy imports have a milk equivalency of 1,303,987,000 lbs. In addition certain exotic cheeses (pecorino, roquefort, etc.) and other cheeses having a cost of over 69¢ per lb. are non-quota. As a result the actual imports in 1971 were 1,346,957,000 lbs. and in 1972 1,683,585,000 lbs.

The proposed amendment would do two things.

It would limit the permanent dairy import quotas to 2% of the domestic consumption of dairy products. (Presently this would mean a limit of about 2.3 billion lbs.) Such a limit, we feel, is reasonable. It covers present permanent quotas and recent imports of 60 million pounds of nonfat dry milk.

The amendment also provides that a portion of any additional permitted imports be first made available to producers and processors of like dairy products. This would

insure that such products would expeditiously find their way into existing commercial channels. In so doing protection would be automatically given to existing licensed importers and their operations. It would also provide automatic growth in their volume as the domestic market grows. Present licensing system allows import licenses to be granted only to those who have a history of importing. This proposal would enable both the historical importer and the domestic industry to share in expanded imports.

An overall limitation on import quotas is sound because of the impact imports have on the price support program. One billion lbs., milk equivalent, of imports reduces the price of milk about 20 cents per hundred-weight. As this occurs more domestic dairy farmers quit dairying, forcing us to rely even more on imported products. This is contrary to the intent of Congress in existing farm acts (but is precisely the pattern the Flanigan Report recommends).

Mr. DOLE. Mr. President, I yield back the remainder of my time.

Mr. TALMADGE. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. TALMADGE. I yield the remainder of my time to the distinguished Senator from Minnesota.

Mr. HUMPHREY. Mr. President, this provision in the bill before the Senate is designed to take care of the realities that face the dairy market and the dairy industry in this country. It is not designed to impede trade. It is not designed to be adverse to our national interests. It is designed, however, to give the American producer a fair chance.

Let us face it: There is a scheme afoot in this country to get the American farmer out of the dairy business, and it was outlined very succinctly and cleverly in the so-called Flanigan Report. That report said that we will have a trade-off between the export of American grains to Europe bringing in their cheese and their milk products into the United States. It sounds good theoretically, if no people were involved. The trouble is that a large number of the best farmers in America are involved.

Dairy farming represents the best of farming in America. However, it is high cost, heavy investment, high technology, but the best. Dairy farming produces the most nutritious product. However, dairy farming is filled with risks.

The Government of the United States has been telling our dairy farmers for years to reduce production, and they have done so. Now that we have reduced production, they say, "We have to have imports," and we get them.

This amendment does not restrict the imports on the basis of any historical base. As a matter of fact, the provision in the bill to which I refer provides for a 2 percent limitation, which goes beyond present levels. At the present time, our imports are equivalent to about 1½ percent of domestic consumption. This provides that as domestic consumption increases, you can go up to 2 percent of the total domestic consumption.

One other thing: When the European countries export dairy products into this country, they are highly subsidized through variable import levies—namely the revenues from those levies. Europe can dump butter in this country at 10 cents a pound, and Europe has dumped

butter in other parts of the world at 10 and 12 cents a pound while selling it to its own people as high as \$1.20 per pound. That sounds great, except that it drives people out of business here in this country. It destroys thousands of American producers.

All we are suggesting here is that we stop, look, and listen. This is an amendment to basic law. The law is very clear as to the products that are affected. Despite all the difficulties the Senator from Illinois indicates the Department would have in determining what these products are, they are listed in the legislation. They are also listed under the act that relates to dairy products, under the Agricultural Adjustment Act of 1933, section 22. It is all described. There is no confusion about it. The difference is, are we going to be cognizant of the threat that comes to the economic viability of the dairy industry of this country? We have already taken out of this bill measures that should have remained.

I assure the Senate that this particular provision in the bill which comes from the Committee on Agriculture and Forestry will not be injurious in any way to our foreign trade. It provides for expansion. It permits the President, if he finds there is compelling economic and national need, to go beyond the 2 percent; and it provides for the sharing of the market.

I think the question the Senator has to face is whether it wishes to drive U.S. dairy farmers off the farm. When it gets through doing that, the dairy industry will be corporatized; and when the dairy industry gets into the corporate board rooms, some people are going to be much more considerate of it. Today, the dairy industry is out in the barns and the fields, because it is out there where you will find dairy farmers who have the cows. We think we can play willy-nilly with them. But the minute it gets to be a product strictly of the big corporation, we will have lobbyists down here who will make what we have seen in the past look like child's play.

I am for the dairy farmer. I am for the family farmer. I am against corporate agriculture. I am against letting subsidized agriculture come into this country and destroy our producers.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOLE. Another important provision, which the Senator is aware of and is partly responsible for, in this bill, is that when the President issues licenses for increased quantities authorized by this amendment, he must give priority for a limited time to domestic producers and processors who are in that business and take it away from the so-called special interest groups. So that the licenses may be issued to those who can use these imports in their normal business. The reason is to perpetuate the dairy industry and not destroy it, as the Senator has so well stated.

The PRESIDING OFFICER. All time of the Senator from Georgia has expired.

Mr. HUMPHREY. Mr. President, could we have a minute on the bill?

Mr. CURTIS. I yield the Senator 2 minutes.

Mr. PERCY. Mr. President, will the

Senator yield me 2 minutes on the bill, also?

Mr. CURTIS. Yes.

Mr. NELSON. Mr. President, I endorse the statement of the distinguished Senator from Minnesota, and I wish to add another point to his very thoughtful comments.

My State, Wisconsin, is the largest producer of milk in this country. For years, the Department of Agriculture has been advising the dairy farmers in this country to bring their quantity of production milk into conformance with demand. That has been the answer to getting a fair price for milk.

The farmers have done that. We were producing in this country in the early 1960's and in the mid-1960's 126 billion pounds of milk. Out of that figure my State was producing something over 20 billion pounds of milk. Wisconsin's production has now gone down to about 18 billion pounds. National production has gone from 126 billion pounds 8 or 9 years ago to about 120 billion pounds in the last year, with a projection of 117 billion pounds this year. That is a 9-billion-pound reduction on the part of dairy farmers, the Department of Agriculture has advised.

But as fast as farmers cut the production of milk a lot of people want to import milk and milk products into this country, defeating the whole program. If anyone thinks that city folks are subsidizing the farmers they have another thought coming. The farmers are subsidizing the city folks. They are always getting under 90 percent of parity. It has been 20 years since the farmers in this country, in most products produced, approached 90-percent parity.

If anyone thinks it is profitable to be a dairy farmer, it must be explained to me why in the last 20 years, since 1952, we have gone in Wisconsin from 133,000 dairy producers down to 66,000 dairy producers. The same thing has happened in the State of Minnesota. We want to keep a dairy industry that is healthy and to allow farmers a fair return for their investment.

We do not require that dairy products coming into this country meet the same standards that we meet. We want to require dairy products coming into this country from Europe, from Switzerland, Belgium, Holland, or Italy to meet the same standards that we meet here. Here we require that they keep milk cows separate in the barn.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. NELSON. Mr. President, will the Senator yield to me for 1 additional minute?

Mr. CURTIS. I yield.

Mr. NELSON. Mr. President, none of the sanitation standards which impose higher costs on production of Wisconsin dairy farmers are imposed on those who produce the same products abroad and send them here for sale. If the same standards applied, these dairy imports would not qualify to get into the marketplace in this country. I have advocated for years that we require the same sanitary standards among competitors in Europe as are required in this country. That would be fair and equitable.

A total national production of 120 billion pounds would allow imports of 2.4 billion pounds of milk or dairy equivalent products, and that is one-half percent more than came in last year. I think the provision should stay in the bill as it is.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 2 minutes.

Mr. PERCY. Mr. President, I understand the distinguished Senator from Nebraska has yielded 3 minutes. It may be that I will not use the entire 3 minutes.

The PRESIDING OFFICER. The Senator is recognized for 3 minutes.

Mr. PERCY. Mr. President, I would like to respond in this way to my distinguished colleague from Minnesota and my distinguished colleague from Wisconsin. I am for the dairy farmer, particularly in Illinois. I am all for them. Even though I voted against the 80-percent figure yesterday, and I believe 75 percent was adequate, the Senate, in its wisdom, decided to reaffirm the committee, raising the dairy support price to 80 percent of parity, assuring milk producers higher prices and assuring and guaranteeing the milk producer that he will not be exposed to the ravages of a free market or unlimited milk imports.

Also I am for another group of people. I certainly would not say I would be second to the distinguished Senator from Minnesota or the distinguished Senator from Wisconsin. We are for the consumers. We have always stood for the consumers. We are for the low-income expectant mothers, who have to pay good hard cash for milk, and it is going up in price. As the distinguished Senator from Massachusetts pointed out the other day in the committee hearings of the Committee on Nutrition and Human Needs, when he showed a carton of milk, this shows the disaster it means for low-income families as prices go up.

We are for all growing children in America that drink milk. Every time the price of milk goes up taxes go up because we are paying for a lot of the milk we supply.

I am not saying we have to put the dairy farmers ahead of them, but both groups have to be taken into account. However, if we arbitrarily limit dairy imports to 2 percent we are removing the flexibility which we have. It means that 98 percent must be domestic production, regardless of what happens to prices. If we put that arbitrary limitation on, unquestionably our trading partners would view it as being an unnecessary restriction of trade. I would say to the distinguished Senator from Minnesota, who along with the Senator from Illinois, has been a proponent for freer trade, it would be handing an ax or a weapon to our allies abroad, all of whom are more ingenious than we at restricting markets. We would be giving them an invitation to restrict imports to our country, and we would have set the pattern, and we would have handed the hatchet to them to chop off our exports.

Mr. President, for those reasons I hope very much that the Senate will support the amendment.

Mr. President, I ask unanimous consent that my assistant, John Childers, be allowed the privilege of the floor during the presentation of my amendments, including rollcall votes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, will the Senator from Georgia yield to me for 1 minute? I want to say something in response to the distinguished Senator from Illinois.

Mr. TALMADGE. I yield.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. HUMPHREY. Mr. President, one, when the European Common Market is willing to take off all their restrictions on the importation of American agricultural products, I will consider getting rid of the 2 percent import limitation. I want to have something to bargain with them.

Two, they subsidize their dairy farmers to the point where no American producer can compete.

Three, as the Senator from Wisconsin said, their sanitary standards are not the same as ours.

Four, they will share in the U.S. market under the committee bill.

Five, the consumer of dairy products in America will benefit by continuing to have U.S. dairy farmers.

Mr. President, you are not going to make dairy products out of thin air. Milk comes from cows. It takes farmers to work with cows. Cows do not sit on cartons. They have to be milked, and they have to be fed and cared for. We already are losing cows. The numbers are down. We are losing dairy farms. The figures are down. We are losing dairy production. The figures are down. The consumption is up, and I think the Senate had better make up its mind whether it is going to have a dairy industry in this country or phase it out. I do not believe in the Flanagan report which says we must get rid of dairy farmers and ship the grain, because in the process it would destroy people.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the amendment. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT), is necessarily absent.

I further announce that the Senator from Maine (Mr. MUSKIE) is absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from New Hampshire (Mr. COTTON) is absent because of illness in his family.

The Senator from Ohio (Mr. TAFT) is necessarily absent.

The Senator from New York (Mr. BUCKLEY) is detained on official business.

If present and voting, the Senator from Ohio (Mr. TAFT) would vote "nay."

The result was announced—yeas 23, nays 71, as follows:

[No. 177 Leg.]

YEAS—23

Aiken	Hatfield	Ribicoff
Bartlett	Javits	Roth
Beall	Kennedy	Saxbe
Bellmon	Mathias	Stafford
Biden	Moss	Stevenson
Brooke	Packwood	Tunney
Case	Pell	Williams
Cranston	Percy	

NAYS—71

Abourezk	Fannin	McClure
Allen	Fong	McGee
Baker	Goldwater	McGovern
Bayh	Gravel	McIntyre
Bennett	Griffin	Metcalf
Bentsen	Gurney	Mondale
Bible	Hansen	Montoya
Brock	Hart	Nelson
Burdick	Hartke	Nunn
Byrd,	Haskell	Pastore
Harry F., Jr.	Hathaway	Pearson
Byrd, Robert C.	Helms	Proxmire
Cannon	Hollings	Randolph
Chiles	Hruska	Schweiker
Church	Huddleston	Scott, Pa.
Clark	Hughes	Scott, Va.
Cook	Humphrey	Sparkman
Curtis	Inouye	Stevens
Dole	Jackson	Symington
Domenici	Johnston	Talmadge
Dominick	Long	Thurmond
Eagleton	Magnuson	Tower
Eastland	Mansfield	Weicker
Ervin	McClellan	Young

NOT VOTING—6

Buckley	Fulbright	Stennis
Cotton	Muskie	Taft

So Mr. PERCY's amendment (No. 191) was rejected.

Mr. TALMADGE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HOLLINGS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 192

Mr. PERCY. Mr. President, I have amendment No. 192 at the desk, and I ask that it be called up and stated.

The PRESIDING OFFICER (Mr. NUNN). The clerk will report the amendment.

The assistant legislative clerk read as follows:

On page 40, line 3, strike out all through line 23, page 41.

On page 41, line 24, strike "813" and insert in lieu thereof "812".

On page 42, line 20, strike "814" and insert in lieu thereof "812".

On page 43, line 15, strike "815" and insert in lieu thereof "814".

On page 44, line 11, strike "816" and insert in lieu thereof "815".

On page 45, line 11, strike "817" and insert in lieu thereof "816".

Mr. PERCY. Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. PERCY. Mr. President, this amendment is a very simple amendment. It strikes section 812 from the committee bill. This involves striking the language from line 3 on page 40 through line 23 on page 41. That provides that we negotiate another international grains agreement which would set minimum and maximum prices.

The inclusion of such a recommendation in 1973 farm legislation would

Jersey and the others who have joined in this amendment. I just could not stand here today, fighting as I always have for our farm people because I believe it is necessary that they have a chance to make a good living, and not at the same time speak up for those who suffer more than anyone else from inflation: The people on fixed incomes, the poor, and the people who are disabled.

Mr. CASE. Mr. President, I thank my colleague. I want to make just this additional remark, that as the Senator from Minnesota, the Senator from South Dakota, and the Senator from Massachusetts have very well pointed out, the essence of this proposal is just barely keeping the food stamp program even with the economic cost of living, and that is all. We are not trying to enrich it or anything else; we are just keeping the poor person who is on this program, or trying to keep him, in roughly the same position as others who are benefiting from the provisions in this bill, to guard against the penalty of his paying the full cost of inflation.

I yield back the remainder of my time.

Mr. TALMADGE. Mr. President, I yield back the remainder of my time.

Mr. CASE. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered.

The PRESIDING OFFICER (Mr. HELMS). All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from New Jersey (Mr. CASE). On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT) is necessarily absent.

I further announce that the Senator from Maine (Mr. MUSKIE) is absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from New Hampshire (Mr. COTTON) is absent because of illness in his family.

The Senator from Nebraska (Mr. HRUSKA) and the Senator from Ohio (Mr. TAFT) are necessarily absent.

If present and voting, the Senator from Nebraska (Mr. HRUSKA) would vote "nay."

The result was announced—yeas 56, nays 38, as follows:

[No. 179 Leg.]

YEAS—56

Abourezk	Haskell	Montoya
Aiken	Hatfield	Moss
Bayh	Hathaway	Nelson
Beall	Hollings	Packwood
Biden	Huddleston	Pastore
Brooke	Hughes	Pearson
Burdick	Humphrey	Pell
Byrd	Inouye	Percy
Cannon	Jackson	Randolph
Casper	Javits	Ribicoff
Chiles	Kennedy	Saxbe
Church	Magnuson	Schweiker
Clark	Mansfield	Scott, Pa.
Cook	Mathias	Stafford
Cranston	McGee	Stevens
Eagleton	McGovern	Stevenson
Gravel	McIntyre	Tuney
Hart	Metcalf	Williams
Hartke	Mondale	

NAYS—38		
Allen	Domenici	McClellan
Baker	Dominick	McClure
Bartlett	Eastland	Nunn
Bellmon	Ervin	Proxmire
Bennett	Fannin	Roth
Bentsen	Fong	Scott, Va.
Bible	Goldwater	Sparkman
Brock	Griffin	Symington
Buckley	Gurney	Talmadge
Byrd	Hansen	Thurmond
	Helms	Tower
	Johnston	Weicker
	Long	Young
NOT VOTING—6		
Cotton	Hruska	Stennis
Fulbright	Muskie	Taft

So Mr. CASE's amendment was agreed to.

Mr. CASE. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 208

Mr. AIKEN. Mr. President, I call up my amendment No. 208, sponsored by Senators HUMPHREY, DOLE, and myself, and ask that it be stated.

The PRESIDING OFFICER (Mr. SAXBE). The amendment will be stated.

The assistant legislative clerk read as follows:

On page 46, between lines 17 and 18, insert the following:

Sec. 818. The Agriculture Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, is amended by:

(1) amending section 8c(5)(A) to read as follows:

"(A) Classifying milk in accordance with the form in which or the purpose for which it is used, and fixing, or providing a method for fixing, minimum prices for each such use classification which all handlers shall pay, or without fixing or providing a method for fixing minimum prices in the case of an order limited to milk products or milk used for manufacturing requiring announcement by handlers of prices to be paid producers and cooperative associations delivering to them, and fixing, or providing a method for fixing, minimum rates of payment to producers or associations of producers for services performed for a handler who is given the opportunity to purchase the milk with or without such services and elects to receive such services, such services to include, but not be limited to, (1) providing specific quantities of milk on designated days and providing milk of a specified grade, quality, or composition and (2) performing special services, such as, but not limited to, milk assembly, refrigeration, storage, laboratory work, quality supervision and accounting, and the time when payments shall be made for milk purchased from producers or associations of producers, and for services performed by producers or associations of producers. Such prices and rates shall be uniform as to all handlers, subject only to adjustment for (1) volume, market, and production differentials customarily applied by the handlers subject to such order, (2) the grade or quality of the milk purchased, (3) the locations at which delivery of such milk, or any use classification thereof, is made to such handlers, and (4) services utilized by a handler as provided by the order."

(2) amending section 8c(5)(E) by inserting before the period at the end thereof a comma and the following: "from producers or associations of producers, and (iii) for payment from the total use value of milk under paragraph (A), before computing uniform prices under paragraph (B) and reflecting adjustments in payments as among han-

dlers under paragraph (C), to cooperative marketing associations qualified as provided in paragraph (F) of this subsection for services of marketwide benefit, including, but not limited to, the following:

"(a) handling of milk on specific days in excess of the quantities needed by handlers;

"(b) transporting milk from one location to another for the purpose of fulfilling requirements for a higher class utilization or providing a market outlet at any class of utilization; and

"(c) performing special market services, such as laboratory work, quality supervision, and accounting;

but excluding (i) providing economic, education, and legal services for the benefit of all producers, (ii) furnishing other services of an intangible nature not hereinbefore specifically included, and (iii) providing any services, whether of a type hereinbefore specifically included or not, which handlers are ready and willing to perform without charge."

Mr. AIKEN. Mr. President, what this amendment would do would be to restore, after modification, two milk marketing provisions that were struck from S. 1888 by the Hart amendment yesterday.

HANDLER PAYMENTS

This would provide permissive authority to establish under Federal milk marketing orders rates of payment that handlers would be required to pay independent producers or associations of producers for services that they perform for the handler—milk dealer—in the marketing of the dairy farmers' milk. The handler would have to be given the choice of taking milk with or without the service, so that his election to take the service would be completely voluntary.

The handler payment provision would merely provide that all producers will receive the full price for their milk intended by the Federal order. This amendment would prevent handlers from requiring independent producers, or cooperatives, to render services for the handler for the benefit of the handler at rates below costs. Because of this, farmer prices under the milk order are impaired.

Any handler charge would have to be fully justified on both a cost and need basis at a full public hearing and could only be put into effect by a two-thirds vote of the producers.

MARKEWIDE SERVICES

This would establish permissive authority permitting Federal milk orders to provide for payments from the pool to cooperatives for services of marketwide benefit to all producers.

The payment would only be allowed if all the pool members—co-op and nonco-op—benefited from the services provided by the association of producers. No payment would be allowed for services which handlers were ready and willing to perform without charge.

Services envisioned would include inspection, laboratory work, quality supervision and accounting, and transporting milk from one location to another if this would result in a higher class utilization, thus insuring greater returns for all producers in that Federal order. Specifically excluded by the amendment are economic, education, and legal services.

Since this is permissive authority, it could only be included after full public

hearings and the Secretary must establish from the hearing record that the services to be performed are of benefit to all producers before a payment could be included in the order. The Secretary must also establish the reasonable value for the services in setting the rates of payment.

The amendment also would permit an order covering manufacturing milk to provide for price posting rather than for minimum prices. This would permit the handler to fix any prices he saw fit, but he would have to let all producers know the prices he was paying.

Finally, it must have approval of two-thirds of the producers subject to the order before it could be effective.

Mr. President, I have been asked, does this provide for block voting?

It does not change the present law in any respect in regard to block voting.

Now, Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Vermont has 16 minutes remaining.

Mr. AIKEN. I yield 6 minutes to the distinguished Senator from Minnesota (Mr. HUMPHREY).

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 6 minutes.

Mr. HUMPHREY. Mr. President, as was stated by the distinguished Senator from Vermont (Mr. AIKEN) yesterday, we indicated some of the features of the dairy section which were being eliminated by the Hart amendment which should be retained in this bill.

Efforts were made to prepare the proper amendment to do this, but unfortunately time ran out, and the vote on the Hart amendment was called for before this material was completed.

The amendment now before us is intended to retain in the bill those features which Senator AIKEN discussed yesterday, and those features which were adopted unanimously by the Senate in the form of the Talmadge amendments which were offered on Tuesday.

As has been pointed out on all features being considered to modify the Agricultural Marketing Agreement Act of 1937, these are permissive. They do not oblige any order to include them but do permit their consideration under the normal procedures for amending a milk marketing order, which include full justification in an open hearing where witness be heard, approval by the Secretary of Agriculture, and final approval by a two-thirds vote of producers in a referendum.

Let us now look at some of the provisions of the amendment submitted by Senator AIKEN, for myself, and for Senator DOLE:

MANUFACTURED MILK ORDERS WITHOUT MINIMUM PRICING

Presently, any milk order must establish minimum prices. However, this is impractical for any milk order which would apply only to manufactured milk products—such as butter, cheese, and nonfat dry milk—because the prices paid for such milk reflects a national market and a national competition, thereby making it substantially uniform.

Nevertheless, there is a need for orders for manufacturing milk to protect these

producers from unfair or discriminatory practices and to insure that they are properly paid—both as to announced price from their buyer as well as on weights and tests. This amendment would permit such an order to be established, if two-thirds of the producers or of the participants so agreed. It would also authorize the posting of the price being paid by a handler in order to protect against discrimination among producers and to assure that producers are fully and properly paid.

SERVICE PAYMENT BY HANDLERS

Again, this is permissive authority to establish under Federal milk marketing orders rates of payment handlers would pay to independent producers or to associations of producers for the actual cost of services which they perform for the handler—milk dealer. In other words, all they are saying here is that a handler who gets the product from producers or an association of producers will pay for those services which are absolutely necessary under law to make that milk a desirable product in commerce. These services must have been requested by the handler. However, he cannot be obliged to pay them as a condition of acquisition of milk. In other words, he is permitted to buy his milk with or without the prescribed services; but if he elects to take such services, this would determine the basic rate of payment for such services.

This is necessary to protect the basic objective of the act to establish minimum prices—which is the present law, since 1937—which farmers will receive for their milk. Presently, handlers or dealers can exert pressure to receive such services free or at less than actual cost. These costs must then be borne by the producers and in so doing actually reduce their return to less than the minimum price prescribed in the order. This is particularly true in the case of small cooperatives or individual producers, and they will most benefit from this modification. Types of services which are contemplated are spelled out in the amendment. I emphasize that this particular provision is for the benefit of the small cooperative that has no real bargaining power with the handler whatsoever.

MARKETWIDE SERVICES

Again I emphasize—as did the Senator from Vermont—that this is permissive authority under the Agricultural Marketing Agreement Act. It does not by its passage automatically establish marketwide services in any milk marketing order. They would have to be developed as we have outlined earlier.

To clear up any misunderstanding, they could be charged only when it is clearly determined in the public hearing and by the Secretary of Agriculture that all producers on the market will benefit. All producers must benefit. If it is determined that any producers do not benefit, they cannot be invoked.

This seems only reasonable. If all benefit, then all should bear their share of the cost.

The amendment has eliminated some proposed marketwide services which had been questioned. Stricken were those provisions which relate to handling and

disposing of milk supplies in excess of quantities needed by handlers and the furnishing of additional supplies of milk needed by handlers. Also stricken were the provisions relating to milk assembly, refrigeration, and storage services formerly shown in (2)(d) on page 6 of S 1888.

Types of services covered—and again which must be proven to have market-wide benefit—are the handling of milk on specific days in excess of handler needs, transporting milk to obtain a higher class utilization or providing other market outlets when necessary, and special market services such as lab work, quality supervision, and accounting.

In response to Senator HART's query about such services being available—that is, laboratory services—where a handler did not use them "because his brother was a veterinarian," permit me to point out that such a situation would automatically disqualify "laboratory work" as a marketwide service because in his illustration it would not then be marketwide.

We welcome any opportunity at this point to make completely clear in the RECORD of this bill that these can only apply if they are truly and completely marketwide and benefit the producer.

So I believe this amendment is scaled down to where it is imminently fair and is limited to specific cases.

Mr. TALMADGE. Mr. President, in view of the fact that the distinguished ranking minority member of the committee, the distinguished Senator from Nebraska (Mr. CURTIS) and I, as chairman of the committee, both support the amendment, and it has already been approved by the committee, I desire that the time the Senator from Nebraska and I control be yielded to the Senator from Michigan (Mr. HART).

Mr. HART. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Michigan has 5 minutes remaining.

Mr. HART. Mr. President, I thank the distinguished Senator from Georgia and the distinguished Senator from Nebraska for their courtesy.

First, let me bring to the attention of the Senate the position of the departments of Government whose interests are involved in the amendment: First, the Department of Agriculture; second, the Department of Justice.

The position of the Department of Agriculture is addressed to the section of the language stricken yesterday without the modification reflected in the offering today.

The position of the Department of Justice is in response to the explicit language that we are now considering be reincorporated. I read, first, the impression of the Department of Justice with respect to the Aiken-Humphrey-Dole amendment.

The Department of Justice opposes amendment to the general farm bill which would provide for the setting of minimum prices for services to handlers and for a levy of charges against non-members for expenses incurred by a co-

operative for the activities of that cooperative.

The setting of minimum prices for services to handlers amount to legalized price fixing and prevents nonmembers or smaller co-ops from competing with the dominant co-op by offering more efficient services to the handler, which would ultimately redound to the benefit of the consumer.

This amendment not only sets the price for providing specific quantities of milk "on designated days and providing milk of a specified grade, quantity or composition," but would arguably legitimize and create an antitrust exemption for the practice of charging a very high additional price over the co-op's handling charge for any additional supplies needed by a handler who is not committed to an exclusive contract with the co-ops. These charges, absent enactment of this amendment, would amount to price discrimination unless cost justified. Such practices are the subject of the Department's suit against Associated Milk Producers, Inc.

With respect to the second feature of the amendment, no showing has been made to require nonmembers to support the activities of a cooperative. The amendment provides, in part, that non-members must make payments to co-ops for handling milk on specific days in excess of quantities needed and for transporting milk from one location to another to increase the class utilization in one market—that is, raise the price—and thus depressing it in another.

This amendment would require non-members to support activities—such as "loading the pool," or controlling the resale price of milk—which are the subject of the Department's antitrust suit against Associated Milk Producers, Inc. Such an amendment would tend to legitimize these activities.

Mr. President, yesterday the Senator from Oklahoma (Mr. BELLMON) inserted in the RECORD at pages 10532 and 10533 the position and recommendation of the Department of Agriculture. I shall not repeat that material but I ask unanimous consent that the position of the Department of Agriculture with respect to the two features be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1888—MILK MARKETING ORDER PROVISIONS
(Discussion is by page number of the bill)

1.

P. 2 "... Such order . . . may provide . . . that the bases of producers shall be allocated to the cooperative association while they are members thereof."

a. *Intent*—to permit the cooperative to offset underdeliveries of base milk by one member with overdeliveries of base milk by another. Under a Class 1 base plan, a producer receives a lower price for overdeliveries, i.e., the amount delivered in excess of his Class 1 base. The intent of this provision

is, of course, to prevent overproduction. The proposed change would give members of cooperatives a tremendous advantage over non-members. An individual coop member would not receive a lower price for excess milk so long as his excess were offset by the underproduction of other members. The non-member could not, of course, avail himself of such an offset. He and his fellow non-members would be at such a competitive disadvantage that they would eventually be forced into joining a coop. The provision would also allow a cooperative to transfer milk off the market and allocate such transfers to the excess deliveries of its members leaving its milk left on the market as base milk. Non-members would have their history of marketing automatically reduced if they took their base milk off the market.

Depending on how the provision is utilized by the cooperative, it could also deprive the coop member of the right to buy or sell base so long as he is a member of the cooperative. In other words, allocation of a members base to the coop could give the latter full control of the base, and the right to make decisions on transfer of base between and among members. This right, if it exists, could be used both as a carrot and as a stick by the coop leadership.

The legislative history to date implies that a producer can take his base with him when he terminates membership in the cooperative. But this is not explicit, and needs clarification. Furthermore, there is no showing as to what base he takes with him—his original base, the original base as altered under the base plan, the original base as altered by the cooperative, or something else.

b. *Recommended USDA position*—Opposition based primarily on (1) the potential adverse impact on non-coop members, and (2) ambiguities in potential treatment of the coop members themselves.

II.

P. 2 "... Such order may provide that a producer who has acquired a base under a cooperative marketing associations base plan . . . shall . . . be entitled to the history of marketing represented by the base held by him . . ."

a. *Intent*—To avoid difficulties that cooperatives have heretofore experienced in phasing into class 1 base plans. We have been unwilling to automatically transfer bases from a coop base plan into a successor Class 1 base plan, first, because there has been no legislative authority for doing so and, second, because to do so may not be fair to non-members. For example, a non-member buying a farm just before a Class 1 base plan is initiated would not be credited with the production history of that farm in determination of his base; the coop member buying a farm would, on the other hand, have been permitted an adjustment in his base and, on the basis of the above provision, this adjustment would carry forward into his new Class 1 base.

b. *Recommended USDA position*—Opposition, based primarily on possible inequities to non-members. We have no information with respect to the grounds on which the bases of cooperatives have been established. Frequently a producer will be given special considerations in computing his base as an enticement to join the cooperatives. We recognize that the problem of the transition from a cooperative base plan to a Federal Class 1 plan is difficult for everyone; the coop bases have value, and that value is lost or diminished in the transfer. Aside from this, it is difficult to evaluate farm transfers and a myriad of other factors that can affect production history. We recognize these problems, for we've been experiencing them in the implementation of Class 1 base plans. But thus far we've been able to work them out on an ad hoc basis, and hopefully in a fair and just way. Since each situation is somewhat different, we believe that the present

¹ Section I through III apply to Class 1 base plan legislation. Page 4 of the bill extends such legislation for an additional five years. Though Class 1 base plans, which inherently are production control oriented, are difficult to justify at the present time, the extension will probably incur only limited opposition.

system is preferable to legislating a solution that, though definitive, may not be fair to some or all of the producers involved.

III.

P. 3 "... The Secretary of Agriculture . . . may provide a price to be paid for milk in excess of base . . . at such level as he deems appropriate without regard to prices established for each class of milk. . . .

a. *Intent*—To provide an additional tool for supply reduction under Class 1 base plans. Under such a plan, producers already get a lower price for their excess milk, i.e., milk produced in excess of base, than they do for milk produced in accordance with their base allocation. But they are, nevertheless, entitled to the Class II price (established under the milk marketing order as representing the market value of the milk) for that excess milk. The cooperatives argue that this may not be enough of a production disincentive and that the Secretary should, therefore, have authority to establish the price for excess milk at a level below that of the market value. Otherwise, say the cooperatives, the Class 1 base plan may fail for lack of production discipline.

b. *Recommended USDA position*—Opposition, for several reasons. The cooperatives argue that if producers vote for a Class 1 base plan, production discipline is inherent therein, and that there ought to be available in the system sufficient authority to make that discipline effective. Hence, this additional provision. Notwithstanding this line of reasoning, it would not be in the public interest to favor additional production discipline at a time when food prices, including milk prices, are rising, and milk production is already on the decline. Any producer in the market—whether or not a member of a coop—would have the incentive to sell his excess milk to a nonregulated plant willing to pay more than the "below Class II" price established in the order—if there is such a plant in the vicinity. But this in itself would lead to inefficiencies in milk marketing. In order to avoid the low price for excess milk in their home areas, producers would begin to transport that milk to nonregulated plants further away, so long as the price differential would more than offset the additional transportation costs.

In summary, additional production control is incongruous at the moment, and the additional level of prices would probably lead to marketing inefficiencies.

IV.

P. 4—States that a milk marketing order may "provide a method for fixing minimum rates of payment to producers or associations of producers for services performed for a handler, including but not limited to (1) providing specific quantities of milk on designated days and providing milk of a specified grade, quality or composition and (2) performing special services, such as but not limited to, milk assembly, refrigeration, storage, laboratory work, quality supervision and accounting . . ."

a. *Intent*—To require cooperatives to collect "service charges" from handlers under the order. At present, cooperatives must negotiate with handlers for the collection of such charges. This has been done successfully in some markets, for some items of "service." The degree of success is, of course dependent on the respective bargaining power of the two parties as well as the competition among cooperatives if several are operating in the same market. Under the above provision, service charges could be authorized in the order itself. For cooperatives "selling" such services might be easier through a hearing procedure than through negotiation. It would also tend to make the charges more uniform if there were several cooperatives operating in the market.

We believe that we already have this authority under present law, though the language is not as specific as that quoted above.

There is no doubt that cooperatives now perform many marketing functions that years ago were carried out by the handlers themselves. And there is no doubt that many, if not all, of these "services" are beneficial to handlers. If they were not performed by the cooperative, or by someone else, they would have to be performed by the handlers. The difficulty comes in identifying and quantifying the "services" so that fair and just payments are made under the order. For example, how does one quantify the value to a handler of being provided specific quantities of milk on designated days.

b. Recommended USDA position—Opposition, based on our position that these charges should be negotiated between cooperatives and handlers, rather than determined under the order. Negotiation is the free enterprise way of doing this, and it avoids the difficult, if not impossible, problem of identifying and quantifying "services" under the order. The Department of Justice points out that this provision is, in essence, legalized price fixing in an area that should be left to free competition. If, however, the Congress desires to pursue this course, the above language would be preferable to that of the existing law.

v.

P. 5—States that a milk marketing order may provide payment to producers or associations of producers ("before computing uniform prices") "... for services of marketwide benefit, including, but not limited to, (a) providing facilities to handle and dispose of milk supplies in excess of quantities needed by handlers and to furnish additional supplies of milk needed by handlers; (b) handling of milk on specific days in excess of the quantities needed by handlers; (c) transporting milk from one location to another for the purpose of fulfilling requirements for a higher class utilization or providing a market outlet at any class of utilization; and (d) performing special market services, such as, but not limited to, providing milk assembly, refrigeration, storage, laboratory work, quality supervision, and accounting; but excluding (1) providing economic, education, and legal services for the benefit of all producers. . . ."

a. Intent—To provide that cooperatives may collect "service charges" from the pool, i.e., from the milk proceeds prior to their distribution to producers. In other words, this gives cooperatives two options for obtaining reimbursement for such "services": (1) from handlers, under the provision discussed in section IV, and (2) from all producer members and non-members, under this provision. With the exception of (c) above, the language of the two provisions is virtually identical. But the impact is considerably different. A non-coop member may well have no major objections to the provision of section IV, i.e., to the collection of service charges from handlers. But such member may object vigorously to the collection of such charges from the pool. The latter would directly reduce the amount of money that the non-coop member would receive for his milk. The cooperatives argue, of course, that these are services of benefit to all producers in the market, both members and non-members. Therefore, say the co-ops, non-members should have no objection to deduction of such charges from the pool. Some non-members would probably agree—but many would not. This is a highly controversial issue.

Note that this provision specifically excludes charges for economic, education and legal services. (A deduction for such services is now authorized in one of our orders.) Apparently this was added at the behest of some members of the Ag Committee in order to make sure that present dairy lawsuits are not financed from the pool.

This provision has many aspects of a "subsidy" for cooperatives. In the long run cooperatives would be weakened by their

dependence on government regulation for operating income with its accompanying increased government supervision.

b. Recommended USDA position—Opposition, based (1) on the problems of identifying and quantifying such services (already discussed in section IV), and (2) more importantly, on grounds that such services are not necessarily beneficial to non-coop members. Even if they do have marketwide benefits, it is difficult to justify imposing those benefits on the non-member who does not want them.

In addition, most of these services are of primary benefit to the handler, rather than to the producer. Therefore, they should be collected from the handler. As indicated in section IV, our preference is that this be done by negotiation, rather than through the marketing order.

P. 6—Provides for the establishment of "... a reserve supply management program . . . designed to prevent unwarranted fluctuations in supplies . . . by compensating cooperating dairy farmers cooperatives and handlers . . . who . . . make their milk available in an efficient and orderly manner as needed.

a. Intent—To put under Federal regulation a so-called "standby pool," one form of which is now being operated on a voluntary basis by the cooperatives. The purpose of the standby pool is to ease new Grade A milk producers into the market system without unduly disrupting that system. This has been precipitated by the rapid conversion by producers in recent years from Grade B to Grade A, especially in some areas. If these new Grade A milk supplies were absorbed into the fluid milk market immediately, an excess of milk would have to be pooled under certain marketing orders, and producers in those orders would suffer. Thus, producers now operating under those orders are not anxious to have new Grade A producers enter. But they are willing to pay a few cents per hundredweight to keep that new supply in reserve. In addition, distant producers in an area where milk is in short supply during part of the year are also willing to pay a few cents per hundredweight to keep that new reserve supply available for use when needed. If they can call upon that supply on a moment's notice at a reasonable price, they can keep their handlers happy. Thus, nearby producers pay a little to keep this new supply from coming to their markets; distant producers pay a little to have it come to theirs, but only when needed.

Producers in the standby pool sell their milk to nearby manufacturing plants except when it is needed by the distant market(s). But they receive enough in payments from the other producers that their total returns are approximately comparable to those of their neighbors who are already in the nearby fluid milk market.

The standby pool does ease the transition from Grade B to Grade A, a transition with which dairy producers will have to live until (1) virtually all producers are Grade A, and (2) such producers are gradually absorbed into the marketing system. But such a pool does constitute a modification of the free market system and is, therefore, objectionable to the Justice Department. If standby pools are to be permitted to operate, Justice would much prefer that they operate under USDA jurisdiction, as provided in this legislation, than by the cooperatives themselves.

b. Recommended USDA position—Opposition to the legislation, on grounds that it needs greater public exposure and a careful hearing. It is very clear that some kind of Grade B-Grade A transitional mechanism is needed; but it is not at all clear that this provision is the proper mechanism. If government is to operate standby pools or "reserve supply management programs", whenever they are called, how do we decide (1) which producers can come into the fluid

milk markets; (2) which must stay out of those markets; (3) which distant markets must contribute to the standby pool; (4) how much the producers must contribute; (5) how much the standby pool recipients are to receive; (6) at what prices will the standby pool reserve milk be made available to fluid markets; and a whole host of additional questions. In our judgment, legislation at this point would be premature. In addition, cooperatives could lose their Capper-Voistead exemption if proprietary concerns were to be included in the voluntary standby pool. If operated under a Federal program proprietary concerns would be permitted to participate.

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P. 8—". . . [I]f one-third or more of the producers . . . in a milk order apply in writing for a hearing on a proposed amendment . . . the Secretary shall call such a hearing . . . [T]his section shall not be construed to permit any cooperative to act for its members. . . ."

a. Intent—Self explanatory. USDA now has discretionary authority in the calling of hearings, and hearing requests are occasionally refused. The above provision would remove that discretionary authority.

There are a number of reasons why hearings may be refused. If, for example, the action requested would not be legal, there is no point in holding a hearing. Likewise, if the action would be clearly contrary to the general philosophy of the Administration, or specific policies of the Department, there is no point in holding a hearing. Hearings cost the government money, and cost producers and handlers money. Those costs simply should not be incurred when there is no chance that the requested action will be granted.

b. Recommended USDA position—Opposition, based on (1) potential abuse of the provision, and (2) absence of proven need. As presently written, the provision withdraws all the Secretary's discretion. He could not refuse a hearing for any reason, even illegality of the proposed action. And, if one hearing were held and a request denied, a third of the producers could force the Secretary to immediately call another hearing on the very same issue. Thus, hearings could be used to harass the Department, at great expense to the taxpayer. (Fortunately, this risk is somewhat minimized by the provision which prevents cooperatives from acting for their members.)

This legislation was probably precipitated by our denial some weeks ago of hearing requests on Class I prices. Producer associations sought an increase in such prices, an impossible request under the circumstances. Nevertheless, they argued vigorously that they should have had a chance to present their case, even if it would not have been favorably received.

We have an obligation not to be precipitous and arbitrary in evaluating hearing requests. When in doubt, we ought to grant such requests, for it is essential in a free society that people be able to enunciate their views. But neither should we waste time and money in useless proceedings. The application of proper administrative judgment would seem to be preferable to legislating an inflexible approach, as is done in this provision.

viii

P. 9—Provide that the Secretary shall fix prices under the orders that will ". . . insure a sufficient quantity of pure and wholesome milk to meet current needs, reflect changes in the cost of production, and assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs and be in the public interest."

a. Intent—Perhaps simply to clarify the section, but probably also to justify higher order prices. The added language starts with

"to meet" and ends with "future needs." Presumably references to levels of farm income are intended to enhance producer arguments for higher order prices. The recent requests for a Class 1 price increase were based primarily on (1) higher feed costs, and (2) an expected decline in net income to dairying.

b. *Recommended USDA position*—Neutrality. We believe that the factors encompassed in the amendment are already implicit in the current language. Thus, the amendment adds nothing substantive to the section. If costs of production are not met, and if an adequate income is not provided to dairy producers, productive capacity will decline, and consumer needs will not be met. The Department now has an obligation to make sure that those needs are met, and this obligation will remain unchanged. Nevertheless, if the amendment is simply to clarify or make more explicit the present language, we see no harm in that.

IX

The Justice Department, in a recent letter to Senator McGovern, has indicated its opposition to these amendments on specific grounds, as well as its general opposition to the anticompetitive tone of the amendments. The Department is also concerned that the intent of at least some of the provisions may be to authorize certain cooperative conduct which is now under prosecution. Several of the specific provisions are directly involved in the litigation. These include the cooperative base plan, the operation of the voluntary standby pool, and the amount of the service charges to handlers.

It is noteworthy that no hearings were held on any of these amendments.

Senator Hart's proposed amendment would delete all these provisions except: (1) the one on productive capacity in fixing Class 1 prices [Section VIII]; (2) mandatory hearings on [Section VII]; and (3) the five year extension of Class L base plans.

Mr. HART. Mr. President, I know that the Department of Justice can be thought to be oversensitive to any legislative proposal which would tend to jeopardize actions which it has filed and which are pending in court. I urge my colleagues to reject this amendment for the reason that it is unwise. The Department of Agriculture shares my feeling that the features, even with the modifications, would be objectionable. I hope we reject the amendment.

Mr. AIKEN. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. AIKEN. Mr. President, for the last 20 years I have heard that certain Department of Justice representatives have taken this position in every way they can think of. This is a war that has been going on between them and the farm cooperatives for almost a generation.

Mr. President, I yield to the Senator from Kansas.

Mr. DOLE. Mr. President, I am one of the few Senators who found merit in the amendment as it was before it was stricken by the action of the Senate yesterday. I felt the colloquy I had on two occasions with the chairman had at least laid to rest some of the arguments by supporters of the amendment. Now we are back to what I consider to be a very realistic compromise.

As the distinguished Senator from Vermont said yesterday, there was certain merit to the committee amendment.

These are, as the distinguished Senator from Minnesota just pointed out, permissive amendments, providing permissive authority. There must be hearings, there must be a two-thirds vote. All possible questions have been raised and properly answered.

I hope the Senate in its wisdom would adopt this compromise.

Mr. President, in my discussions with several of my colleagues the past few days as we considered various amendments to this farm legislation it has become apparent that some are not aware of the situation that these hardworking dairy farmers face.

Toward clarification of this fact I would like to cite the fact that the number of dairy cows in the Nation have decreased constantly in recent years, from approximately 22 million in 1950 to 17.5 million in 1960 and 12.5 million in 1970.

In my State of Kansas the number of cows have decreased 40 percent in the last 10 years, and the number of farms have decreased from 46,889 in 1960 to only 12,563 in 1970.

I would list four factors which have contributed most to the decline in numbers of dairy farms and milk producing cows:

First. The operation of a dairy farm is perhaps the most confining occupation in existence, requiring the dairy farmer or his employee to be present twice a day for milking.

Second. The work is physically hard, far more than nonfarm occupations paying considerably higher wages.

Third. Feed prices have continually increased along with other inflationary trends.

Fourth. This same inflation has required further investment by the dairy farmer till the average investment is well over \$200,000.

Mr. HUMPHREY. Mr. President, will the Senator yield to me for 1 minute?

Mr. AIKEN. I yield 1 minute to the Senator from Minnesota.

Mr. HUMPHREY. I want to say with reference to the Department of Justice that the Senator from Vermont is so eminently correct. They have been waging this battle for as long as I have had the privilege to serve here. But this is the same Department of Justice that did not have the courage to pursue its case against ITT's merger involving the Hartford Life Insurance Co. The Department of Agriculture will have to sanction adoption of these provisions and the Secretary of Agriculture will have to be assured that these provisions benefit every producer, marketwide—yet the Department of Justice says this is a conspiracy. We have looked over this amendment and taken out anything that would give preference to just big cooperatives. It has been trimmed to benefit all cooperatives, big and small ones.

When I hear it will cause minimum payments for services, the Federal Marketing Act provides for minimum prices for milk and it has since 1937.

Mr. AIKEN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 4 minutes remaining.

Mr. AIKEN. Mr. President, I would like to say that the argument made about the Department of Justice, which is the usual argument against this amendment, could be made equally against the present law which provides for the establishing of marketing orders. The Justice Department has never indicated enthusiasm for marketing orders. I do not think that position has been changed much, if any.

This amendment will be beneficial to the dairy industry without doing any harm to the rest of the population.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. AIKEN. I have 1 minute remaining.

Mr. HUMPHREY. Is it not true that under the terms of this amendment any association of farmers, whether they are called cooperatives or not, if they are an associated group, could qualify to benefit under the provisions of this amendment.

Mr. AIKEN. Yes, that is right and they have to make their case before they can get approval, with public hearings and a decision made by the Secretary. Then it has to be approved by two-thirds of the producers.

Mr. HUMPHREY. In other words, the National Farmer Organization, or a cooperative, if they can make their case, under the terms of the Marketing Act of 1937, would qualify?

Mr. AIKEN. That is right.

Mr. President, do I have any time remaining?

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. AIKEN. Does the Senator from Michigan want to yield back his time?

Mr. HART. Mr. President, do I have any time remaining?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HART. Mr. President, will the Senator yield to me for 1 minute?

Mr. AIKEN. I yield 1 minute. I will probably disagree with what the Senator says, but I yield 1 minute.

Mr. HART. Mr. President, we have had reaction with respect to the attitude of the Department of Justice. In substance it is opposed to cooperatives, and, second, it is prone to look the other way with respect to other antitrust settlements.

Mr. AIKEN. I agree with that.

Mr. HART. But what about the Department of Agriculture? Whose side are they supposed to be on? They say with respect to both of these, these charges should be negotiated. Those who spoke in support of the amendment know the Department of Agriculture better than I do, but they are much more harsh in their condemnation of the proposal pending here than the Senator from Michigan. We have the Department of Justice saying, "Do not take this amendment." We have the Department of Agriculture saying, "Do not take this amendment."

I did not have a chance to poll the Treasury. Have we not come about as far as we can to establish the fact that

those not directly involved say this is a bad idea?

The PRESIDING OFFICER. All time has expired.

Mr. CURTIS. Mr. President, I yield 1 minute to the Senator from Vermont on the bill.

Mr. AIKEN. Mr. President, I have discussed this matter with people in the Department of Agriculture I have not discussed it with the Department of Justice. I am sure if there is any opposition to it, it is extremely luke warm on the part of the people in the Department of Agriculture who are responsible for handling marketing orders and carrying them out.

Mr. HUMPHREY. Mr. President, will the Senator yield me the other half-minute?

Mr. AIKEN. I yield.

Mr. HUMPHREY. Is it not true that the language the distinguished Senator from Michigan read related to the amendment that was in the original text of S. 1888? This is a revised amendment that is much more limited.

We have discussed this amendment with the people in the Department of Agriculture who work in the dairy section. They did not put out any huge bombast against it. We have eliminated most of the criticisms the Senator from Michigan asserted. Under the amendment the individual still preserves his rights.

The PRESIDING OFFICER. All time on the amendment has expired.

The question is on agreeing to the amendment (putting the question.)

Mr. ALLEN. Mr. President I ask for the yeas and nays.

The yeas and nays were ordered.

All the time on the amendment having expired and the yeas and nays having been ordered, the question is on agreeing to amendment No. 208, offered by the Senator from Vermont (Mr. AIKEN) for himself and other Senators. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT), is necessarily absent.

I further announce that the Senator from Maine (Mr. MUSKIE) and the Senator from Hawaii (Mr. INOUYE) is absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS), is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from New Hampshire (Mr. COTTON) is absent because of illness in his family.

The Senator from New Mexico (Mr. DOMENICI) is about to attend the funeral of a friend.

The Senator from Nebraska (Mr. HRUSKA) and the Senator from Ohio (Mr. TAFT) are necessarily absent.

If present and voting, the Senator from New Mexico (Mr. DOMENICI) would vote "nay."

On this vote, the Senator from Nebraska (Mr. HRUSKA) is paired with the Senator from Ohio (Mr. TAFT). If present and voting, the Senator from Ne-

braska would vote "yea" and the Senator from Ohio would vote "nay."

The result was announced—yeas 38, nays 54, as follows:

[No. 180 Leg.]

YEAS—38

Abourezk	Eastland	Mansfield
Aiken	Ervin	McClure
Baker	Fannin	Mondale
Bayh	Goldwater	Montoya
Bible	Gravel	Nelson
Brock	Hansen	Nunn
Buckley	Huddleston	Pearson
Byrd,	Hughes	Proxmire
Harry F., Jr.	Humphrey	Scott, Va.
Clark	Jackson	Stafford
Curtis	Johnston	Stevens
Dole	Long	Talmadge
Dominick	Magnuson	Young

NAYS—54

Allen	Griffin	Packwood
Bartlett	Gurney	Pastore
Beall	Hart	Pell
Bellmon	Hartke	Percy
Bennett	Haskell	Randolph
Bentsen	Hatfield	Ribicoff
Biden	Hathaway	Roth
Brooke	Helms	Saxbe
Burdick	Hollings	Schweicker
Byrd, Robert C.	Javits	Scott, Pa.
Cannon	Kennedy	Sparkman
Case	Mathias	Stevenson
Chiles	McClellan	Symington
Church	McGee	Thurmond
Cook	McGovern	Tower
Cranston	McIntyre	Tunney
Eagleton	Metcalf	Weicker
Fong	Moss	Williams

NOT VOTING—8

Cotton	Hruska	Stennis
Domenici	Inouye	Taft
Fulbright	Muskie	

So the amendment was rejected.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5610) to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations, and for other purposes.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled joint resolution (H.J. Res. 533) authorizing the President to proclaim June 17, 1973, as a day of commemoration of the opening of the upper Mississippi River by Jacques Marquette and Louis Jolliet in 1673.

The enrolled joint resolution was subsequently signed by the President pro tempore.

COST INFORMATION ON S. 354, THE NATIONAL NO-FAULT MOTOR VEHICLE INSURANCE ACT

Mr. MAGNUSON. Mr. President, when the no-fault bill was considered on the floor last year, many of my colleagues expressed concern over the cost implications of a Federal bill. I am pleased to report that the Senate Commerce Committee has received information which should completely dissipate such concern and demonstrate to my colleagues the

dollar savings potential of the Federal standards legislation.

In October 1972, the firm of Milliman & Robertson, Inc., was retained by the National Association of Insurance Commissioners to establish a credible procedure for costing various no-fault proposals. The NAIC felt that conflicting cost estimates offered by different special-interest groups had posed an obstacle to legislative progress concerning no-fault.

In early May of this year, I asked Commissioner Van Hooser, president of the NAIC to provide the Senate Commerce Committee with certain cost information on S. 354. Commissioner Van Hooser kindly agreed to do this and asked Milliman & Robertson, Inc., to work up the data requested for five States differing in size, geography, and other particulars. The States selected were California, Kentucky, New Hampshire, Pennsylvania, and Texas.

Because the Federal standards approach incorporated in S. 354 gives the States considerable flexibility in designing their own State plans which comply with the Federal standards, a number of different alternatives which a State might choose were tested.

The results were dramatic.

Costs of S. 354 assuming each of the five States chose unlimited medical expense protection, up to \$50,000 of wage loss protection for each accident victim, loss of services protection at \$15 per day up to 3 years, and up to \$50,000 in survivor loss protection when compared with costs for bodily injury insurance under the present lawsuit insurance system were as follows:

	Percent
California, decrease	11
Kentucky, decrease	1
New Hampshire, increase	9
Pennsylvania, decrease	8
Texas, decrease	17

(SOURCE: Exhibit II.)

If the States for cost reasons trimmed back the benefit package as permitted under S. 354 to unlimited medical expense protection, up to \$25,000 of wage loss protection, loss of services protection at \$12 per day up to 1 year, and survivors loss benefits up to \$5,000, then the following results have been projected:

	Percent
California, decrease	33
Kentucky, decrease	29
New Hampshire, decrease	21
Pennsylvania, decrease	30
Texas, decrease	37

(SOURCE: Exhibit II.)

What about the relative value between no-fault insurance and the present system?

Milliman & Robertson, Inc., estimate that a no-fault package as in the first illustration above would give consumers much more value for their premium dollars.

Percent of additional people compensated and percent increase in amount of compensation:

California	88	81
Kentucky	98	110
New Hampshire	80	99
Pennsylvania	75	90
Texas	100	114

In other words, in Texas where the cost is estimated to go down 17 percent,

benefits of food stamps to all Americans who are genuinely in need of the program. In 1969, only 3.2 million citizens received food stamps.

The peak month participation in the food stamp program during 1973 is estimated to top 12.3 million. There are no more hungry or needy people in the country today than in 1969; indeed, there are less. But today more of the hungry are being served.

I commend the committee for continuing this program, and I commend the Nixon administration for carrying it out with such commitment and dedication.

Mr. Pearson CONCLUSION

Mr. President, I have highlighted only some of the major features of the Agriculture and Consumer Protection Act of 1973. The bill contains other amendments to and extensions of existing law which are important. Under the committee measure, for example, the dairy farmer is guaranteed 80 percent of parity for his manufacturing milk during the 1973-1974 marketing year.

This provision is one which I introduced, as separate legislation, earlier this year. In view of escalating costs to the dairyman, I believe the increase in the support price is justified.

The Senate Agriculture Committee has met its responsibility both to consumers and farmers in recommending enactment of the pending bill. I commend my colleague from Kansas (Mr. DOLE), and other Senators on the committee for their diligence in reporting promptly this bill which will insure stability in agriculture in the years ahead.

It is important now to proceed with congressional action on this farm legislation. If we delay too long, farmers will not have the opportunity to plan adequately for the 1974 crop year.

I support the Agriculture and Consumer Protection Act of 1973, and I urge its passage by the Senate.

Mr. ALLEN. Mr. President, I rise today to support in the strongest terms S. 1888, the Agriculture and Consumer Protection Act of 1973.

This bill was developed within your Agriculture and Forestry Committee in a bipartisan fashion. I am confident that this spirit of bipartisanship will carry over into the widespread support here on the floor that this bill undoubtedly deserves.

May I say that in the new farm legislation there is much of the experience and wisdom of the chairman of the Senate Committee on Agriculture and Forestry, the distinguished senior Senator from Georgia (Mr. TALMADGE). The farmers and farm families of America have no greater friend than HERMAN TALMADGE. His name stands near the top of any rollcall of Senators who have authored and worked and voted for farm programs.

Through the years the distinguished Senator from Georgia has been a most effective and eloquent spokesman in the battle to enable the farmers of our Nation to obtain their fair share of the national income and to enjoy the fruits of American prosperity.

A few weeks ago I was privileged to conduct a formal hearing in Montgom-

ery, Ala., for our Senate Committee on Agriculture and Forestry on new general farm legislation. It was an outstanding hearing, perhaps the finest I have ever attended.

The grassroots testimony gathered at the hearing was of inestimable value to me at markup on S. 1888. We heard from some 22 witnesses, including the Governor of the State of Alabama, the Honorable George C. Wallace. I have a copy of the statement Governor Wallace delivered at the Alabama hearing and ask unanimous consent that his splendid remarks be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

STATEMENT OF GOV. GEORGE C. WALLACE

Mr. Chairman, first I must express my appreciation to you and to the entire membership of the Senate Committee on Agriculture and Forestry for holding these important hearings on the farm situation in Alabama, the Southland and throughout our country. Your interest in the problems of agriculture and rural America and the outstanding job you personally are doing offer some measure of reassurance to this Nation's farmers who must have been surprised and alarmed, as I was, by recent proposals that farm commodity and supply-adjustment programs be abandoned.

Senator Allen, as I have travelled the length and breadth of this land time and again in recent years, I have become increasingly alarmed also by the lagging growth rates in rural areas and the corresponding concentration of population in the cities which has caused significant and deleterious effects on the various aspects of American society.

Many rural areas which were heavily dependent on farming have experienced large declines in total population and purchasing power as well as political influence. Here in our own State of Alabama we have, just in the two decades since 1952, lost more than one-half million of our rural citizens to other states. This mass migration described in a study by the University of Alabama as the FLIGHT FROM THE SOIL has already resulted in the loss of two seats in the Congress of the United States from Alabama. So severe is the impact of our loss that if you began with the 1950 Census figures and added all births and subtracted all deaths within our States since that date, the calculation would result in a figure equivalent to the present population of Alabama plus the population of a city the size of Atlanta. Think of the social, economic and political loss to our State because of this drastic and unnecessary depopulation of our rural areas—a loss we can never make up.

Mr. Chairman, the question before us today is why must it go on? Why must our Alabama farms continue to disappear at the rate of 5,000 per year? Why must some of our finest and most patriotic and God-fearing citizens be driven off their land where they have known a cherished and respected way of life and into the cities that can only provide ghettos and welfare roles? Why must local business firms disappear from the rural scene in numbers so large as to cause the per capita cost of maintaining necessary local services such as roads, schools, mail deliveries and electricity to be raised to prohibitive levels? Why must those left on the land suffer the personal hardships of being stranded in rural areas where there is little or no demand for their services and where depopulation has caused local governments to be hard pressed to raise funds necessary for continued functioning, much less provide quality services?

Why, Mr. Chairman, must our federal Government compound the gravity of the problems of our people by condoning the jamming of these souls into the large metropolitan centers only to cause serious and costly problems of traffic congestion, air and water pollution, increased criminal activity, worsened race relations and swollen welfare roles?

It has been said that "land without people is a wilderness and people without land is a mob." Surely there is a better way than creating wilderness out of our fertile fields and making mobs out of our cherished children!!! Surely, Mr. Chairman, this country has something better to offer our citizens than more of the same.

There is a better way. Senator Allen, members of this distinguished Committee, together, let us find the better way, and I will help you to find the public acceptance you need across this great land of ours to make things right in rural America once again.

The better way lies with the quality of rural life. People everywhere are just like our own noble Alabama farm folk. They would rather live in the fresh air, on their own soil, enjoying the gifts of God and nature, provided they could once again expect the economic opportunity to provide their families with the quality of life enjoyed by their fellow citizens in the suburbs.

Quality rural life begins with economic opportunity. A day's pay for a day's work. Automobiles and the gas they burn, television sets and the electric power they consume, health care with its medical bills, all cost the rural American just as much as his city cousins. Yet most urban workers have higher returns per hour of labor than most rural workers. And, almost all urban workers enjoy greater purchasing power per hour of labor than do their brothers who diligently till the soil to produce the food and fiber so vital to the well-being, let alone the safety and security of this great country. Now don't misunderstand me, I am happy to see the urban workers receive good pay. But quality rural life, equal quality, is necessary to save our country from the wilderness of rural depopulation and the mobs of urban overpopulation.

Mr. Chairman, while rural population has declined so markedly in recent years, the actual farm population has declined even more critically. During the decade from 1960 to 1970, when urban population swelled by more than 19 percent, rural population fell off 4 percent, actual farm population dropped a whopping 38 percent. Here in Alabama, studies by your own staff economists reveal that this State's total farms have dropped to an alltime historic low of only 76,000 working farms in 1973. This compares to approximately one-quarter of a million Alabama farms scarcely more than 30 years ago—an average loss of 5,000 farms per year for over three decades.

Certainly it doesn't take any educated economist to look at these figures and determine why our housewives should indeed be concerned over the price of meat and groceries.

But, if they would look ahead just a few years further with the continuing trend, they could find something much more serious than even high prices with which to concern themselves—the prospect of no meat, not enough groceries at any price. The prospect of nobody left on the farms to produce the abundance of food and fiber which this country and its people have come to take for granted.

Gentlemen of this Committee, I implore you, your colleagues in the Senate, yes even the President, I say to all—you must not, you cannot let this happen.

You gentlemen set the public policies which our farmers must live and die with; your actions will determine whether this

\$2.28 per bushel for wheat, \$1.35 per bushel for corn, and 43 cents per pound for cotton. For subsequent years, these target prices will be adjusted each year in relation to a "cost of production" index, which would reflect changes in interest rates, taxes, wage rates and production items.

Prices to the farmer for wheat, feed grains, and cotton will be underwritten at the target levels for full projected U.S. needs—for both domestic consumption and export. If the average market price during the first 5 months of the marketing season is below the target price, a production incentive payment will be made to the farmer equal to the difference between the target price and the average market price actually received by farmers. These payments, if any, will be direct payments; the bill makes no change in the loan levels of \$1 per bushel for corn, \$1.25 per bushel for wheat, and 19.5 cents per pound for cotton.

Mr. President, this direct payment-target price aspect of the bill is internationally designed to protect the farmer from disastrously low prices and, at the same time, to protect the interests of consumers and taxpayers:

It protects the farmer from ruinously low prices because farmers are guaranteed the target levels of prices for that portion of their production that is required to meet national needs;

It protects consumers because the direct payment approach allows the prices of cotton, wheat, and feed grains to reach their natural levels in the market place. Indeed, the bill is designed to encourage lower prices to consumers, because the target price guarantees are an incentive to farmers to produce abundantly to meet the full demand for food and fiber;

It protects the interest of broiler, livestock, and dairy farmers in reasonably-priced feedstuffs. By encouraging ample production of feed grains, and by refraining from any increase in the loan rates, the broiler, livestock and dairy farmers should be assured of feed at lower prices.

This is of particular concern to my State of Alabama, which is the third-highest broiler producing state in the nation.

The bill's impact on feedstuffs also will be a strong aid to consumers, since lower feed costs to livestock growers should be passed along to consumers in the form of lower meat and poultry prices.

Furthermore, because S. 1888 would allow prices of feed grains, wheat and cotton to reflect natural market conditions, it would not hamper the export of United States farm products. Under this bill, the United States would not price itself out of competition in world markets, and large export subsidies would not be required to market our produce abroad.

And, S. 1888 would accomplish these objectives without placing an excessive burden upon the taxpayer. It is difficult to predict exact costs because the amount of payments will depend upon actual market prices. But assuming a 1.657 billion bushel wheat crop with 95 percent program participation by farmers; a 5.805 billion bushel corn crop with 85

percent participation; and 5.145 billion pound cotton crop with 98 percent participation, the cost of the program based upon market prices during the recent 5-month period, December 1972 to April 1973, would be:

[In millions]

Wheat	\$125.9
Corn	690.2
Cotton	931.2
Total	1,747.3

Grain sorghum could push the total cost for feed grains up another \$115 million—about one-sixth of corn. This would mean a total cost for wheat, feed grains, cotton below \$1.9 billion, or about one-half of the 1972 program costs. Payments to farmers under the 1972 feed grain, wheat, cotton programs totaled some \$3.7 billion.

Program costs could be lower. Indeed, if current market prices prevailed in 1974, for example, the total cost of the feed grain, wheat, cotton package would be minimal. There would be virtually no cost.

Of course, the program could and probably would cost more in some years, but to the extent that it did it would mean lower prices to consumers at the same time.

S. 1888 includes authority for cropland to be set aside as required from year to year, and there is standby authority for the Secretary of Agriculture to apply commodity-by-commodity production controls if necessary to prevent market glut.

I am pleased that your Agricultural Committee rejected the administration's proposal for a general cropland retirement program, which approved to be disastrous for farmers and taxpayers when attempted during the 1950's. One experiment with Bensonism was enough for our farmers and for our Nation.

Title II of S. 1888, the dairy section, is very important to my State of Alabama and to the Nation. The bill contains several technical amendments to class I and seasonal base plan authority, which will enable cooperatives to market milk in an orderly fashion. It is essential that the cooperatives have authority to manage bases and production, so that they can direct fluid milk to the marketing areas where it is needed to meet consumer demand. And this affords to dairy farmers in Alabama and elsewhere a measure of badly-needed price and income stability and protection.

Title II also provides for milk price support at not less than 80 percent of parity for the current marketing year, and restricts dairy imports to 2 percent of domestic consumption. In view of escalating production costs faced by our dairy farmers, these are badly-needed measures to maintain a healthy and viable economic climate in dairying.

The section of this bill on cotton insect eradication is particularly important to my State of Alabama. The bill authorizes and directs the Secretary of Agriculture to carry out programs to destroy and eliminate cotton boll weevils, pink boll worms and other major cotton insects in infested areas. Cotton producers would share with the Federal

Government the cost of the eradication program.

Such program is vital to the cotton producers of Alabama, because tens of dollars are added to his production costs of each bale of cotton to control cotton insects. Our farmers will be able to produce cotton much more efficiently if the boll weevil and boll worm are eradicated. And the environment will be better protected in the process, since volume application of chemical insecticides would no longer be necessary each year.

A similar eradication program has been accomplished for the screw worm in livestock, so the cotton insect eradication program proposed in S. 1888 is feasible. I hope that we can enact and fully fund this program, so that the eradication effort can get underway without delay.

Mr. President, we are currently in an unsettled period, when it is difficult to predict whether the next few years will carry with them shortages of food and fiber, or a return to market glut and ruinously low farm prices and income. S. 1888 is intentionally designed to help us to cope with either of these eventualities.

I would hope that the Senate will pass this measure, so that the carefully designed and balanced package that S. 1888 represents can serve farmers, consumers, and the Nation in the years ahead.

A healthy agricultural sector is vital to rural revitalization in the United States. Farming is the No. 1 employment activity in rural America, and the family farm pattern of agriculture is the nucleus around which rural development and geographical balance of population must be built and achieved. We cannot stop the migration of people into urban areas—and the aggravation of urban problems that greater congestion of population causes—unless we strengthen farming and agriculture in the countryside.

Mr. President, today the demand for food and fiber is greater than ever before. People are eating more, and more people are eating. There are about 70 more people sitting around the American family table now than when I started this speech. This time tomorrow there will be 6,500 more. That adds up to over 2 million a year. And the world population increases that much every month. These are mouths that must be fed if democracy is to continue to flourish at home and be strengthened and extended abroad.

Shall we eat and wear less in the days to come, or shall we raise more products as the need for them arises? The answer is obvious. This will present an even greater challenge to the American farmer who up until now, has been able to sustain us by providing us, often at sacrifice to himself, with the food and fiber necessary to life itself. But the continued ability of our farmer to feed and clothe the growing population of our Nation and much of a hungry world is contingent upon a sound and sensible agricultural policy which will maintain and improve farm income.

We must never forget that the strength and prosperity of agriculture is basic to

SENATE PASSED

S. 1888

WITH AMENDMENTS

Amendment extended dairy indemnity to cover cows

June 8, 1973

I yield to the distinguished Senator from North Dakota.

Mr. YOUNG. Mr. President, those who are familiar with the bill and knowledgeable about farming operations know we have had substitute provisions whereby one may substitute wheat for corn. If he does not want to raise wheat, he can raise corn and get the whole payment.

Mr. TALMADGE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maryland. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Michigan (Mr. HART), the Senator from Iowa (Mr. HUGHES), the Senator from Arkansas (Mr. McCLELLAN), and the Senator from Minnesota (Mr. MONDALE) are necessarily absent.

I further announce that the Senator from Maine (Mr. MUSKIE) is absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present and voting, the Senator from Michigan (Mr. HART) would vote "nay."

Mr. SCOTT of Pennsylvania. I announce that the Senator from New Hampshire (Mr. COTTON) is absent because of illness in his family.

The Senator from New Mexico (Mr. DOMENICI) is absent to attend the funeral of a friend.

The Senator from Utah (Mr. BENNETT), the Senator from Colorado (Mr. DOMINICK), the Senator from Michigan (Mr. GRIFFIN), and the Senator from Nebraska (Mr. HRUSKA) are necessarily absent.

If present and voting, the Senator from New Mexico (Mr. DOMENICI) and the Senator from Nebraska (Mr. HRUSKA) would each vote "nay."

The result was announced—yeas 17, nays 70, as follows:

[No. 187 Let.]	
YEAS—17	NAYS—70
Beall	Mathias
Biden	Pastore
Brooke	Pell
Buckley	Percy
Case	Ribicoff
Javits	Roth
Abourezk	Ervin
Aiken	Fannin
Allen	Fong
Baker	Goldwater
Bartlett	Gravel
Bayh	Gurney
Bellmon	Hansen
Bentsen	Hartke
Bible	Haskell
Brock	Hatfield
Burdick	Hathaway
Byrd	Helms
Harry F., Jr.	Hollings
Byrd, Robert C.	Huddleston
Cannon	Humphrey
Chiles	Inouye
Church	Jackson
Clark	Johnston
Cook	Kennedy
Granston	Long
Curtis	Magnuson
Dole	Mansfield
Eagleton	McClure
Eastland	McGee
	McGovern
	McIntyre
	Metcalf
	Montoya
	Moss
	Nelson
	Nunn
	Packwood
	Pearson
	Proxmire
	Randolph
	Scott, Va.
	Sparkman
	Stafford
	Stevens
	Stevenson
	Symington
	Talmadge
	Thurmond
	Tower
	Tunney
	Williams
	Young

NOT VOTING—13		
Bennett	Griffin	Mondale
Cotton	Hart	Muskie
Domenici	Hruska	Stennis
Dominick	Hughes	
Fulbright	McClellan	

So Mr. MATHIAS' amendment was rejected.

AMENDMENT NO. 190

The PRESIDING OFFICER. Under the previous order, the Senator from Illinois (Mr. PERCY) is recognized.

Mr. PERCY. Mr. President, I call up my amendment No. 190 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 9, line 19, strike out ";" and insert in lieu thereof ":".

On page 9, beginning on line 20, strike out all through page 10, line 18.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. PERCY. I am happy to yield to the acting majority leader.

Mr. ROBERT C. BYRD. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. Senators will please take seats.

Mr. ROBERT C. BYRD. Mr. President, we are confronted with the following situation:

We have 32 minutes remaining until, under the agreement, the time will arrive for the vote on final passage. There are five Senators who have amendments remaining.

In order that each of those five Senators may have at least two or three minutes to plead his case, I ask unanimous consent that time on any remaining amendment to the bill or on any amendment to an amendment, and time on any debatable motion, or appeal be limited to 5 minutes, with three minutes to the proponent and 2 minutes to the manager of the bill.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I also express the hope, Mr. President, that although Senators, if they so desire, are entitled to yea and nay votes on their amendments, we can voice votes where possible on amendments from here on out.

The PRESIDING OFFICER (Mr. JOHNSTON). The Senator from Illinois has the floor.

Mr. PERCY. Mr. President, I ask unanimous consent that the names of the Senator from Michigan (Mr. HART), the Senator from Massachusetts (Mr. KENNEDY), the Senator from New York (Mr. BUCKLEY) and the Senator from Ohio (Mr. SAXBE) be added as cosponsors of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, this amendment, which is supported by the Department of Agriculture, deletes the section of the committee bill which expands the dairy product indemnification program to cover milk contamination caused by chemicals "where such chemicals were not used contrary to applicable

regulations or label instructions provided at the time of use." It also deletes the language providing for payment for the contaminated cow instead of the contaminated milk.

As my colleagues know, since 1965, the Department of Agriculture has made indemnity payments to dairy farmers for milk removed from the commercial market because of contamination caused by chemicals and pesticides which were registered and approved for use by the Federal Government at the time they were used. In 1970 this provision was expanded to include indemnification of manufacturers of dairy products. While I have questioned the advisability of specifically indemnifying one food production industry apart from the others, there is merit in the proposition that where one has relied on the Federal Government's specific registration and approval of a chemical, the Federal Government has a liability to indemnify against harm resulting from its use by the producer or others.

The pending legislation, however, expands the Government's liability significantly. Under the committee proposal, the Federal Government would have to indemnify farmers and milk product manufacturers where milk contamination was due to the use of any chemical used according to "applicable regulations or label instructions."

Mr. President, this section would put the Federal Government in the position of guaranteeing against the harmful effects of chemicals which it does not even have the present authority to control.

In addition, I am very concerned that such a guarantee will lead to laxity in the use of chemicals at the very time we are waging a battle to halt their indiscriminate use. It should be noted that the provision covers not only against use of chemicals by the dairy farmer but against milk contamination caused by the use of chemicals by others, such as neighboring farmers.

The Council on Environmental Quality and environmental organizations such as Friends of the Earth, the Sierra Club, and the Audubon Society have all expressed their concern about this aspect of the committee bill and have called for its deletion.

Finally, the breadth and scope of the Government's potential liability under this section is not contained in the committee report. To my knowledge, there was no detailed discussion of the provision during committee hearings and no opportunity was presented for testimony by those opposing it or disagreeing with the committee's conclusions, even by the Department of Agriculture. We are put in the position of considering legislation which will subject the Federal Government to undetermined and unestimated financial liability.

Mr. President, I believe that this section, its potentially harmful side-effects, its cost and its potential precedent for similar blanket indemnification in other industries must be subjected to a full discussion and consideration by all experts in the area. I urge adoption of my amendment.

Mr. President, I ask unanimous con-

sent to have printed in the RECORD a statement concerning this amendment which I am offering to S. 1888.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The Department of Agriculture supports this amendment.

Amendment No. 190 would strike the section of the Committee bill changing the dairy indemnity provisions (line 20 page 9 through line 18 page 10).

The existing program indemnifies dairy farmers and dairy processors against milk contamination caused by chemicals which were registered and approved by the Federal government. Amendment No. 190 deletes the Committee expansion of the program, which would include indemnification for contamination caused by chemicals whose use has not specifically been disapproved. It also deletes the section allowing the Department of Agriculture to pay for the slaughter of the cow, rather than for the contaminated milk. The reasons for the amendment include:

No estimate of the potential cost or impact of this provision.

No opportunity was given for opposing views during Committee hearings.

Such a provision will set precedent for blanket indemnification of other producers and processors.

The provision will encourage indiscriminate use of chemicals.

USDA estimates that payment for the cow rather than for the contaminated milk will be considerably more expensive.

In some cases, the federal government would be indemnifying the use of substances which it has no authority to control.

The Department of Agriculture supports this amendment.

Mr. PERCY. Mr. President, I understand that the distinguished Senator from Wisconsin (Mr. NELSON) has an amendment to my amendment which he wishes to offer, and I would be happy to recognize him at this time.

Mr. NELSON. Mr. President, I have a substitute amendment for Senator Percy's amendment No. 190 which I send to the desk and ask unanimous consent that reading thereof be dispensed with and I will explain it.

The PRESIDING OFFICER. Without objection, the reading of the amendment will be dispensed with, and it will be printed in the RECORD at this point.

The text of the amendment is as follows:

Strike out all after "viz:" and insert in lieu thereof the following:

On page 10, at the end of line 4, add the following: "make indemnity payments for dairy products at fair market value to".

On page 10, line 6, strike out all after "1970" down through "enactment" in line 9.

On page 10, beginning with the comma after the word "use" in line 12, strike out all down through the word "use" in line 16.

The PRESIDING OFFICER. If the Senator will suspend, all of the time on the principal amendment must expire before a modification to the amendment would be in order.

Mr. TALMADGE. Mr. President, will the distinguished Senator from Illinois accept the modification to his amendment as proposed by the Senator from Wisconsin?

Mr. PERCY. Mr. President, my objection to the section of the bill which the

Senator from Wisconsin wishes to retain is that its full effect is unclear.

The committee report states that paying for the contaminated cow would be less expensive than paying for the contaminated milk. The Department of Agriculture, on the other hand, has informed me that in most cases the opposite is true because the period of milk contamination abates within a few months and the cow can once again produce saleable milk.

Could the Senator from Wisconsin and the distinguished chairman of the committee clarify whether the intent of this provision is that the Secretary of Agriculture would have full discretion in each case in deciding whether to pay for the cow or the milk so as to avoid economic waste and the needless slaughter of dairy cows?

Mr. TALMADGE. This gives authority to the Secretary to make his own decision.

If the Senator for Illinois is prepared to accept the modification of the Senator from Wisconsin, I am prepared to accept it as I know the distinguished ranking minority member is.

Mr. PERCY. I am happy to accept the modification to my amendment.

The PRESIDING OFFICER. Does the Senator from Illinois modify his amendment accordingly?

Mr. PERCY. Yes, Mr. President.

The PRESIDING OFFICER. The amendment is so modified.

Mr. TALMADGE. Mr. President, I yield back the remainder of my time.

Mr. PERCY. Mr. President, I yield back the remainder of my time.

Mr. NELSON. Mr. President, I would be happy to have all time yielded back, if I had the opportunity for a short explanation of my modification.

I ask unanimous consent for 1 minute to explain my modification.

Mr. CURTIS. Mr. President, I yield the Senator 1 minute on the bill.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for 1 minute.

Mr. NELSON. The point the amendment of the Senator from Illinois proposes to make, is to strike out all of the committee language beginning on line 20 on page 9, through line 18 on page 10, in order to eliminate the expansion of the program to cover contamination of milk or dairy products by any chemical, not just pesticides registered and approved by the Federal Government as is the scope of the present program.

My modification would accomplish the same purpose using the language of the Agriculture and Forestry Committee. This modification would continue the dairy indemnity program for 5 years, would allow the Secretary of Agriculture the economic discretion to indemnify the dairy farmer for either the contaminated milk or the cow, would make it clear that manufacturers of dairy products may recover the fair market value of contaminated dairy products removed from the commercial market, and would keep the scope of the indemnity program limited to milk or dairy products contaminated by residues of chemicals reg-

istered and approved by the Federal Government, that is, pesticides.

This modification would change the authorizing language of the committee bill beginning on line 23 of page 9 to read as follows:

SECTION 1. The Secretary of Agriculture is authorized to make indemnity payments for milk or cows producing such milk at a fair market value, to dairy farmers who have been directed since January 1, 1964 (but only since the date of enactment of the Agriculture and Consumer Protection Act of 1973 in the case of indemnity payments not authorized prior to such date of enactment), to remove their milk, and to make indemnity payments for dairy products at fair market value to manufacturers of dairy products who have been directed since the date of enactment of the Agricultural Act of 1970 to remove their dairy products from commercial markets because of residues of chemicals registered and approved for use by the Federal Government at the time of such use. Any indemnity payment to any farmer shall continue until he has been reinstated and is again allowed to dispose of his milk on commercial markets.

I wish to say that I do not oppose the dairy indemnity section presently in the bill on its substantive merits. It may be just as meritorious as the provisions in the present law covering contamination by pesticides. However, there should definitely be some hearings on this specific language to see precisely what the dimensions or the exact scope of the amendment will be. We should know specifically the kinds of contamination that would be covered and what the costs will be if this expanded authority becomes law. My inclination would be to support this addition, but I do think there should be full public hearings first.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois as modified.

The amendment was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from Alaska (Mr. STEVENS) is now recognized.

Mr. STEVENS. Mr. President, I call up my amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. STEVENS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered, and the amendment will be printed in the RECORD.

The text of the amendment is as follows:

On page 38, between lines 10 and 11 insert the following:

"(d) by adding at the end thereof a new section as follows:

"Authority of certain eligible households in Alaska to use coupons for the purchase of hunting and fishing equipment except firearms, ammunition, and other explosives.

"SEC. 17. Notwithstanding any other provision of this Act, members of eligible households living in the State of Alaska shall be permitted, in accordance with such rules and regulations as the Secretary may prescribe, to purchase hunting and fishing equipment

believe that government should be restrictive in the actions it undertakes, that a careful balance must be maintained between the activities of the public and private sectors. But, food is the most basic of necessities. That is why we have heard so much about food prices this year.

That is why we must seek to restrain them in the upcoming years. That is why we must guarantee a healthy and diversified farm economy, with various participants. The bill which the committee has developed seeks to do just that. It seeks to provide a cushion under farm prices—a cushion designed to provide insurance against a fall in farm prices below a level which would make farming an uneconomic enterprise, but a cushion not overstuffed to the point where it will result in windfall or unreasonable profits. This should encourage the orderly and consistent production of foodstuffs which are basic to our diets.

TARGET PRICES

Under the bill developed in committee, support prices are not guaranteed as they have been in previous years. Instead, support prices will be available only when the market price falls below a certain target price—\$2.28 per bushel for wheat; \$1.53 per bushel for corn and 43 cents a pound for cotton. If the average market price during the first 5 months of the marketing year is above the levels mentioned above, the farmer receives no payment at all. If they are below the above-mentioned levels, then the farmer receives the difference between the average market price and the specified target price.

There are, I believe, two important points related to this new procedure. First, the target prices represent 70 percent of parity, that is, 70 percent of the amount which a farmer would have to realize in order to earn the same amount that he did in an "ideal" period. Second, the target prices are quite close to existing market prices. Thus, if farm prices remain where they are now—as we have been told so often by so many that they will—then the costs of the program will be minimal.

LOAN PROGRAM

The loan programs for commodities, with existing loan rates, are retained so that the option of placing crops under CCC loans remains.

SET-ASIDE

The existing set-aside program for each crop is also retained, based on testimony that abandoning it in favor of a general land bank type program would lead to poor land management and over-production, which could undermine the farm economy and farm production in the years ahead.

Mr. Huddleston ^{MS}

The support level for manufacturing milk, that is, milk used to make dairy products, is increased from a minimum of 75 percent to 80 percent of parity for the upcoming year. The 80-percent support level is close to the existing market price for milk and reflects the committee's concern over the continuing decrease in the number of dairy cows and dairy farms, in the face of ever-increas-

ing production costs, including feed grains.

Both in committee and on the Senate floor, I supported several amendments designed to facilitate the marketing of milk. One would provide for minimum charges for services, such as milk assembly, refrigeration and laboratory work, performed for handlers. Another would provide for payments to cooperatives for marketwide services. Milk cooperatives have proven themselves to be a highly efficient and successful marketing operation, and are now responsible for the marketing of a large percentage of our Nation's milk. In many ways, the two amendments above, as well as others which were discussed, seek only to recognize the realities of the present marketing structure.

That structure is, nevertheless, an extremely complex and little understood one. A number of penetrating questions were raised in floor debate regarding it. Both because of these questions and because of the need to insure a continued, efficient marketing of milk, I am hopeful that this structure can be reviewed and analyzed in some detail so that we can guarantee a fair and viable marketing system.

FOOD COSTS

As I have previously noted, food costs are of growing concern to all of us as consumers. In order to understand the underlying causes of food price increases and to deal with them effectively we must have up-to-date information on both the costs of raw agricultural products and the processing and distribution of food. In April 1973, the farmer received about 44.2 cents of the retail food dollar, while processors and service industries received 55.8 cents. The bill reported from committee requires the Council of Economic Advisers to prepare quarterly reports on "all developments which affect the prices of food" so that we may analyze cost increases in more detail and, hopefully, devise appropriate measures to deal with them.

PROCESSING TAX ON WHEAT

The 75 cents a bushel processing tax which millers pay on wheat to be used domestically is eliminated, a move which bankers testified would preclude a need for a rise in the cost of bread.

PUBLIC LAW 480

The food-for-peace program which has contributed not only to the disposal of surplus foods but also to the development of markets abroad is continued for 5 years. This is one of the most worthwhile of our foreign programs, and it is, I believe, significant to note that sales are made for dollars—for U.S. currency—contrary to the manner in which they were made in the early days of the program.

FOOD STAMPS

The food stamp program which provides assistance to low-income families to enable them to purchase a nutritious diet is extended for 5 years, with an important amendment to permit participation by the blind and elderly, who were made ineligible by last year's legislation setting a floor under assistance provided them.

FIRE PROTECTION

One of the major restraints on development of rural areas has been the lack of adequate fire protection facilities. In recognition of this, the Rural Development Act of 1972 authorized a 3-year demonstration program of fire protection. Unfortunately, this program has not, to date, been funded. Amendments to this bill provide for the program to run for a 3-year period, beginning when it is initially funded and permit funds to be used for the purchase by volunteer fire departments in rural areas of firefighting equipment and for training to utilize the equipment. In many of our rural areas, we have fine, dedicated citizens, willing to contribute hours of their time to the protection of their communities. The cost of equipment is, however, a growing burden and limitation on the activities of these citizens. In seeking to upgrade our firefighting capabilities in rural areas, it seems only wise and logical to build upon this base which already exists to protect against fires.

TRANSPORTATION

The first assignment given to me this year as a new member of the Committee on Agriculture and Forestry was to conduct an inquiry into the freight car shortage as it affected the movement of agricultural products. Hearings were held before Subcommittee No. 3 on January 29 and 30 of this year and the Senate on February 19 adopted a resolution expressing the sense of the Senate that certain crops held under CCC loans should be resealed and that a committee should be formed to review and oversee the transportation crisis.

The response to that resolution was not all that it might have been and the freight car shortage has continued, plaguing farmers and warehousemen and costing the taxpayer money because of maritime subsidy payments. The committee bill, therefore, provides, in a section offered by Senator CURTIS and myself, for outright creation of a National Agricultural Transportation Committee, which shall meet upon the written request of two or more of its members and make such recommendations as it deems appropriate to facilitate the movement of commodities. The movement of privately-owned stocks are to be given priority over Government-held ones.

Mr. President, I believe these and the various other provisions of the Agriculture and Consumer Protection Act merit the support of the Senate. The legislation is, quite simply, premised on the belief that Americans, as consumers, will benefit from the existence of a healthy and diversified farm economy—a farm economy which will not gain from government support programs when market prices are good, but a farm economy with a guarantee that it will not be undermined by a price fall in which production costs and a fair return would supersede market prices and thereby force a large segment of our farm population out of farming. The bill prepared in our committee is designed to accomplish the farm economy objectives I have just outlined and, on that basis, I give it my full support.

achieved in the marketplace and government payments would be reduced to nominal levels or eliminated entirely.

If, however, farm production again overshoots available markets and prices fall sharply, producers are protected. The Government agrees to make up the difference between the target prices and the average market prices the first 5 months of the marketing year. If grain and cotton prices for the 1974 crop are maintained at approximately current levels, few if any Government payments will be required.

Under S. 1888 producers are assured reasonably stable incomes from producing cotton, feedgrains, and wheat for the next 5 years. If market prices fall below target levels the difference will be made up by Government payments.

Producers will be encouraged to produce abundantly, thus aiding consumers faced with mounting costs. At the same time producers would be assured of income which would prevent bankruptcy in case of very large crops resulting from open throttle production.

Crop acreages will be idled only as a last resort if market prices fall to relatively low levels and after adequate reserve stocks have been accumulated.

Feed grain producers are given reasonably equitable price and income protection in S. 1888 for the first time in recent years as compared to cotton and wheat producers. Under the 1965 and 1970 acts Government price protection was only extended to one-half the base production on feed grain farms, although extended to the entire cotton allotment and to all wheat produced for domestic use.

As a Senator from the heart of the cornbelt, I am indeed happy that the other members of the committee recognized the equity of my plea for extending price and income protection to feed grain producers total base acreages, rather than to only one-half of their production.

At the appropriate time I plan to offer an amendment to raise the minimum market price support loan level from \$1 on corn and \$.25 on wheat to \$1.24 and \$1.55, respectively. I also joined Senators BAYH and WEICKER in sponsoring an amendment to eliminate the 75 cents a bushel tax on wheat used for domestic food consumption use immediately upon passage of this bill rather than allowing it to continue until January 1, 1974.

Other amendments will be offered. Some perhaps will improve S. 1888. For my part, however, I feel that, in the last analysis, S. 1888 can only be seen as a landmark bill that deserves approval by such a large majority that the other body will quickly take favorable action on it.

Mr. BURDICK. Mr. President, I rise in support of S. 1888, the Agriculture and Consumer Protection Act of 1973, a bill of prime importance, both to the farmers and the consumers of this Nation.

Of all the prime necessities of life, food and fiber take first place. The affluence and health of this Nation are based on the abundance of agricultural products with which we are blessed. This bill, if enacted into law and wisely administered, will assure consumers continued adequate supplies of food and

fiber at reasonable cost while assuring family farmers of a fair income.

The bill establishes a target market price for wheat, feed grains, and cotton. The 1974 crop year target price is \$2.28 per bushel for wheat; \$1.53 for corn, and \$1.26 for barley. The target price for succeeding years would be increased to reflect increases in the cost of production. This legislation is based upon the reasonable assumption that national average market prices will not fall below these target levels if set-aside requirements for program participation are responsibly established each year based upon projected foreign and domestic demand.

The economic well-being of our farm population is basic to the well-being of our entire Nation. I urge the passage of the bill.

Mr. TALMADGE. Mr. President, I wish to thank and congratulate the members of the staff who made the passage of this bill possible.

It is an immensely complex and important bill. The committee was able to act expeditiously because of the fine work of the committee staff.

The staff work included the scheduling and preparation of field hearings as well as Washington hearings, a great deal of legal drafting, several economic analysis, and considerable work in educating the press as to the problems and needs of farmers.

I wish to thank the entire staff for this effort, with special thanks to Harker Stanton, the general counsel and staff director; Mike McLeod, Henry Casso, Jim Giltmier, Jim Thornton, Forest Reece, Bill Taggart, Cotys Mouser, and Jim Kendall.

Mr. President, I ask for the yeas and nays on the final passage.

The yeas and nays were ordered.

The PRESIDING OFFICER. The hour of 2:30 having arrived, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. PELL. Mr. President, on this vote I have a live pair with the junior Senator from Arkansas (Mr. FULBRIGHT). If I were permitted to vote, I would vote "nay." If the Senator from Arkansas were present and voting, he would vote "yea." I therefore withhold my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Michigan (Mr. HART), the Senator from Iowa (Mr. HUGHES), and the Senator from Arkansas (Mr. McCLELLAN) are necessarily absent.

I further announce that the Senator from Maine (Mr. MUSKIE) is absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present

and voting, the Senator from Iowa (Mr. HUGHES), the Senator from Arkansas (Mr. McCLELLAN), the Senator from Mississippi (Mr. STENNIS), and the Senator from Michigan (Mr. HART) would each vote "yea."

Mr. SCOTT of Pennsylvania. I announce that the Senator from New Hampshire (Mr. COTTON) is absent because of illness in his family.

The Senator from New Mexico (Mr. DOMENICI) is absent to attend the funeral of a friend.

The Senator from Utah (Mr. BENNETT), the Senator from Colorado (Mr. DOMINICK), the Senator from Michigan (Mr. GRIFFIN), and the Senator from Nebraska (Mr. HRUSKA) are necessarily absent.

If present and voting, the Senator from New Mexico (Mr. DOMENICI), the Senator from Colorado (Mr. DOMINICK), and the Senator from Nebraska (Mr. HRUSKA) would each vote "yea."

The result was announced—yeas 78, nays 9, as follows:

[No. 189 Leg.]		
YEAS—78		
Abourezk	Eastland	Mondale
Aiken	Ervin	Montoya
Alien	Fannin	Moss
Baker	Fong	Nelson
Bartlett	Gravel	Nunn
Bayh	Gurney	Packwood
Bellmon	Hansen	Pastore
Bentsen	Haskell	Pearson
Bible	Hatfield	Proxmire
Biden	Hathaway	Randolph
Brock	Helms	Schweikler
Brooke	Hollings	Scott, Pa.
Buckley	Huddleston	Scott, Va.
Burdick	Humphrey	Sparkman
Byrd,	Inouye	Stafford
Harry F., Jr.		Stevens
Byrd, Robert C.	Jackson	Symington
Cannon	Javits	Taft
Case	Johnston	Talmadge
Chiles	Kennedy	Thurmond
Church	Long	Tunney
Clark	Magnuson	Weicker
Cook	Mansfield	Williams
Cranston	McClure	Young
Curtis	McGee	
Dole	McGovern	
Eagleton	McIntyre	
	Metcalf	

NAYS—9

Beall	Mathias	Roth
Goldwater	Percy	Saxbe
Hartke	Ribicoff	Tower

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Pell, against

NOT VOTING—12

Bennett	Fulbright	Hughes
Cotton	Griffin	McClellan
Domenici	Hart	Muskie
Dominick	Hruska	Stennis

So the bill (S. 1888) was passed, as follows:

S. 1888

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That the Agricultural Act of 1970 is amended as follows:

Payment Limitation

(1) Section 101 is amended by—
(A) amending subsection (1), effective beginning with the 1974 crop, to read as follows:

"(1) The total amount of payments which a person shall be entitled to receive under one or more of the annual programs established by titles IV, V, and VI of this Act for the 1974 through 1978 crops of the commodities shall not exceed \$20,000."

(B) amending subsection (2) effective beginning with the 1974 crop, to read as follows:

~~(2) The term 'payments' as used in this section shall not include loans or purchases, or any part of any payment which is determined by the Secretary to represent compensation for resource adjustment or public access for recreation.'~~

Milk Marketing Orders

(2) Section 201 is amended by—

(A) amending section 201(e) by striking out "1973" and inserting "1978", and by striking out "1976" and inserting "1981"; and

(B) adding at the end thereof the following:

"(f) The Agricultural Adjustment Act as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended by:

"(1) striking the period at the end of subsection 8c(17) and adding in lieu thereof the following: 'Provided further, That if one-third or more of the producers as defined in a milk order apply in writing for a hearing on a proposed amendment of such order, the Secretary shall call such a hearing if the proposed amendment is one that may legally be made to such order. Subsection (12) of this section shall not be construed to permit any cooperative to act for its members in an application for a hearing under the foregoing proviso and nothing in such proviso shall be construed to preclude the Secretary from calling an amendment hearing as provided in subsection (3) of this section. The Secretary shall not be required to call a hearing on any proposed amendment to an order in response to an application for a hearing on such proposed amendment if the application requesting the hearing is received by the Secretary within ninety days after the date on which the Secretary has announced his decision on a previously proposed amendment to such order and the two proposed amendments are essentially the same.'

"(2) inserting after the phrase 'pure and wholesome milk' in section 8c(18) the phrase 'to meet current needs and further to assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated needs'."

Milk Price Support, Butterfat Price Support Suspension

(3) Section 202 is amended by—

(A) striking the introductory clause which precedes subsection (a);

(B) effective April 1, 1974, inserting in subsection (b) before the period at the end of the first sentence in the quotation the following: "of pure and wholesome milk to meet current needs, reflect changes in the cost of production, and assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs"; and

(C) inserting in subsection (b) after the first sentence in the quotation the following: "Notwithstanding the foregoing, effective for the period beginning with the date of enactment of the Agriculture and Consumer Protection Act of 1973 and ending on March 31, 1974, the price of milk shall be supported at not less than 80 per centum of the parity price therefor."

Transfer of Dairy Products to the Military and to Veterans Hospitals

(4) Section 203 is amended by striking out "1973" and inserting "1978".

Dairy Indemnity Program

(5) Section 204 is amended by—

(A) striking out "1973" and inserting "1978"; and

(B) striking subsection (b) and substituting therefor the following:

"(b) Section 1 of said Act is amended to read as follows:

"SECTION 1. The Secretary of Agriculture is authorized to make indemnity payments for milk or cows producing such milk at a fair market value, to dairy farmers who have been directed since January 1, 1964 (but only

since the date of enactment of the Agriculture and Consumer Protection Act of 1973 in the case of indemnity payments not authorized prior to such date of enactment), to remove their milk, and to indemnify payments for dairy products at fair market value to manufacturers of dairy products who have been directed since the date of enactment of the Agricultural Act of 1970 to remove their dairy products from commercial markets because of residues of chemicals registered and approved for use by the Federal Government at the time of such use. Any indemnity payment to any farmer shall continue until he has been reinstated and is again allowed to dispose of his milk on commercial markets."

Dairy Import Limitation

(6) Title II is amended by adding at the end thereof the following:

"DAIRY IMPORTS

"Sec. 205. Section 22 of the Agricultural Adjustment Act (7 U.S.C. 624) is amended by adding at the end thereof the following:

"(g) Notwithstanding any other provision of law, the President shall prohibit imports of dairy products for food use in excess of 2 per centum of the total annual consumption of dairy products for food use in the preceding calendar year, except that the President may increase the total quantity permitted to be imported if he determines and proclaims that such increase is required by overriding economic or national security interests of the United States. The President is authorized to provide that dairy products may be imported only by or for the account of a person or firm to whom a license has been issued by the Secretary of Agriculture. In issuing a license for any increase in the quantity permitted to be imported under this section during any period after the enactment of the Agriculture and Consumer Protection Act of 1973, the Secretary shall make licenses available to domestic producers and processors for a limited time before issuing licenses to others. For purposes of this subsection, dairy products include (1) all forms of milk and dairy products, butterfat, milk solids-not-fat, and any combination or mixture thereof; (2) any article, compound, or mixture containing 5 per centum or more of butterfat, or milk solids-not-fat, or any combinations of the two; and (3) casein, caseinates, lactose, and other derivatives of milk, butterfat, or milk solids-not-fat, if imported commercially for any food use. Dairy products do not include (1) industrial casein, industrial caseinates, or any other industrial product, not to be used in any form for any food use, or an ingredient of food; or (2) articles not normally considered to be dairy products, such as candy, bakery goods, and other similar articles provided that dairy products in any form, in any such article are not commercially extractable or capable of being used commercially as a replacement or substitute for such ingredients in the manufacture of any food product."

Wool Program

(7) Section 301 is amended by—

(A) striking out "1973" each place it occurs and inserting "1978", and by striking out the word "three" each place it occurs; and

(B) adding at the end thereof the following:

"(6) Strike out the first sentence of section 708 and insert the following: 'The Secretary of Agriculture is authorized to enter into agreements with, or to approve agreements entered into between, marketing cooperatives, trade associations, or others engaged or whose members are engaged in the handling of wool, mohair, sheep, or goats or the products thereof for the purpose of developing and conducting on a national, State, or regional basis advertising and sales promotion programs and programs for the development and dissemination of information

on product quality, production management, and marketing improvement, for wool, mohair, sheep, or goats or the products thereof. Advertising and sales promotion programs may be conducted outside of the United States for the purpose of maintaining and expanding foreign markets and uses for mohair or goats or the products thereof produced in the United States.'"

Wheat Production Incentives

(8) Section 401 is amended by striking out "1971, 1972, and 1973" and inserting "1971 through 1978"; and, effective beginning with the 1974 crop—

(A) substituting the word "payments" for the word "certificates" in section 107(b);

(B) striking the quotation mark at the end of section 107(b); and

(C) adding at the end of the section the following:

"(c) Payments shall be made for each crop of wheat to the producers on each farm in an amount determined by multiplying (1) the amount by which the higher of—

"(1) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(2) the loan level determined under subsection (a) for such crop

is less than the established price of \$2.28 per bushel, adjusted for each of the 1975 through 1978 crops to reflect any changes in the index of prices paid by farmers for production items, interest, taxes, and wage rates, times (ii) the allotment for the farm for such crop, times (iii) the projected yield established for the farm with such adjustments as the Secretary determines necessary to provide a fair and equitable yield. If the Secretary determines that the producers are prevented from planting any portion of the farm acreage allotment to wheat or other nonconserving crop, because of drought, flood, or other natural disaster or condition beyond the control of the producer, the rate of payment on such portion shall be the larger of (A) the foregoing rate, or (B) one-third of the established price. The Secretary shall provide for the sharing of payments made under this subsection for any farm among the producers on the farm on a fair and equitable basis."

Termination of Wheat Certificate Program, Farm Acreage Allotments

(9) Section 402 is amended by inserting "(a)" after the section designation and adding the following at the end of the section:

"(b) (A) Section 379b of the Agricultural Adjustment Act of 1938 (which provides for a wheat marketing certificate program) shall not be applicable to the 1974 through 1978 crops of wheat, except as provided in paragraphs (B) and (C) of this subsection.

"(B) Section 379b(c) of the Agricultural Adjustment Act of 1938, as amended by subsection (a) of this section (which provides for a set-aside program), shall be effective with respect to the 1974 through 1978 crops of wheat with the following changes:

"(i) The phrase 'payments authorized by section 107(c) of the Agricultural Act of 1949' shall be substituted for the word 'certificates' and the phrases 'certificate authorized in subsection (b)' and 'marketing certificates' each place they occur.

"(ii) The word 'domestic' shall be stricken each place it occurs.

"(iii) '1972 through 1978 crops' shall be substituted for '1972 or 1973 crop' in section 379b(c)(1).

"(iv) The third sentence in 379b(c)(1) is amended to read as follows: 'The Secretary is authorized for the 1974 through 1978 crops to limit the acreage planted to wheat on the farm to a percentage of the acreage allotment.'

"(v) '1971 through 1978' shall be substituted for '1971, 1972, and 1973' each place it occurs other than in the third sentence of section 379b(c)(1).

AGRICULTURE AND CONSUMER PROTECTION ACT OF
1973

JUNE 27, 1973.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. POAGE, from the Committee on Agriculture,
submitted the following

R E P O R T

together with

ADDITIONAL VIEWS, MINORITY VIEWS, AND
ADDITIONAL OPPOSING VIEWS

[To accompany H.R. 8860]

The Committee on Agriculture, to whom was referred the bill (H.R. 8860) having considered the same, report favorably thereon without amendment and recommend that the bill H.R. 8860 do pass.

BRIEF SUMMARY OF LEGISLATION

I. PAYMENT LIMITATION

(1) Applies to the 1974 through 1977 crop of wheat, feed grains, and cotton; and
(2) Lowers the existing \$55,000 payment limitation to \$37,500, but excludes compensation for resource adjustment and public access for recreation purposes from the definition of payments.

II. DAIRY

(1) Extends the Class I base plan and "Louisville" plan authority for four years.
(2) Extends the military and veterans hospitals milk program for four years.
(3) Requires the Secretary to hold a hearing on any proposed amendment to a milk order if requested by one-third of the producers.

(4) Enlarges the criteria for determining minimum prices under marketing orders and support prices to include assuring a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs.

(5) Provides manufacturing milk price support at not less than 80 percent of parity on a permanent basis and makes the addition of the new price support criteria described in item (4) permanent.

(6) Makes the suspension of the butterfat support program permanent.

(7) Extends the dairy product pesticide indemnity program for four years and expands the program to cover cows.

(8) Authorizes the establishment of a system for assigning priorities to applicants for licenses to import dairy products.

(9) Incorporates same provision of the 1965 and 1970 Acts relating to the legal status of producer-handlers.

III. WOOL

(1) Extends the wool program for four years.

(2) Expands the market promotion authority of the National Wool Act of 1954 to cover information on product quality, production management, and marketing improvement, and to provide for overseas promotion of U. S. mohair and goats.

IV. WHEAT

(1) Extends the wheat set-aside program with various changes.

(2) Provides for a program for the 1974 through 1977 crops of wheat under which—

(a) Marketing certificates would not be issued to producers or, effective July 1, 1973, required to be purchased by processors;

(b) If the higher of the loan level or average market price received by farmers during the first five months of the marketing year should be less than an "established" price of \$2.05 per bushel, adjusted for 1975 and subsequent years to reflect changes in production costs and increases in yields, a government payment would be made to producers on each farm equal to the difference between such higher loan or average price and such established price multiplied by the projected yield of the farm acreage allotment. In the case of farmers prevented from planting or harvesting any portion of their allotments to wheat or other non-conserving crop, such payment would not be less than one-third of such established price; and

(c) A loan floor of \$1.49 is set.

(3) Provides for release of wheat stored under earlier Acts.

(4) Provides authority for a transition from the present wheat certificate program to the new program established.

(5) Provides discretionary authority to the Secretary to waive the requirement for a conserving base.

(6) Allows producers to prove their yields.

(7) Includes changes to liberalize provisions affecting cooperators who are prevented from harvesting crops planted under the programs.

~~bulwarked by government crop price support programs enabling producers to operate with confidence as well as efficiency.~~

~~Certainly no one is going to invest heavily in time, labor and financial outlay to produce a crop unless he has reasonable assurance that he will make a profit or in any event at least break even.~~

~~The programs authorized by this legislation are designed to provide producers with that assurance, and actually should do so without any incentive as subsidy payments so long as there is a continuation of the current relationship between farm prices and crop production costs. Only if prices farmers receive drop drastically while the cost of the items that go into production remain static or increase would support payments be made.~~

~~This farm income guarantee provision of the pending bill represents a basic change in the existing farm programs authorized in the Act which expires at the end of 1973. It has been called a "target price concept" in that it seeks to assure a producer a fair return in relation to his investment in time, labor and money. Payments under this bill would be made only if market prices were below the "target" levels—and the "target price" will increase only if farmer production costs advance faster than increases in their productivity.~~

~~H.R. 8860 is more than just a "farm" bill. It represents the recommendations of the Committee on Agriculture in the critical area of food production, export and import of commodities and food products, the distribution of food to the 12,103,000 needy persons who annually receive food stamps, and the twin problems of conservation and pollution abatement in the 85 percent of the nation outside the population centers.~~

~~Of the ten titles of the 1970 Act reflected in H.R. 8860, only five actually deal directly with basic agricultural production and account for only a small fraction of the estimated cost associated with all the programs under the bill. As such, H.R. 8860 is not only a "farm" bill, it is a "trade" bill, a "pollution abatement" bill, a "rural development" bill, a "conservation" bill, a "Food for Peace" bill, a "tax reform" bill, an "occupational safety" bill; but primarily, it is a bill designed to produce adequate supplies of food to consumers during a period of national concern over food and food prices.~~

GENERAL BACKGROUND ON THE 1970 ACT

For the most part, this bill extends and amends the Agricultural Act of 1970.

The Agricultural Act of 1970 contained nine titles which continued for three years the then-current wheat, feed grains, and cotton programs. It also continued for three years, with modifications, the authority for Class I and Louisville dairy base plans and made other changes in dairy price supports, extended wool price supports, and extended or amended several other farm programs.

~~The Agricultural Act of 1970 initiated the set-aside approach. This approach authorized loans and payments to cooperators who set aside a specified percentage of their acreage allotments, or base acreage in~~

~~the payment limitation, dairy, wool, Public Law 480, and miscellaneous provisions of the 1970 Act.~~

~~In addition, H.R. 8860 extends the appropriation authority and amends the Food Stamp Act of 1964, adds a new Rural Environment Conservation Program, amends the Rural Development Act, and makes a number of changes in several other agriculturally related programs.~~

COMMITTEE INTENT REGARDING INCREASED PRODUCTION COSTS

The Committee considered a provision which was included in the Senate Bill initiating a special cost of production study for wheat, feed grains, cotton, and dairy products. The Committee did not include this provision in the bill but urges the Department, utilizing the resources presently available to it, to carefully examine this matter of increasing costs to producers of these commodities and to apprise the Committee and the public periodically of its findings.

~~FEED GRAIN, WHEAT AND UPLAND COTTON SET-ASIDE PROGRAMS UNDER H.R. 8860~~

~~The provisions of H.R. 8860 would continue the flexible provisions of set-aside programs initiated under the Agricultural Act of 1970.~~

~~In several respects it will give farmers even more freedom and flexibility in planning their farming operations than was the case under the Agricultural Act of 1970. The provisions of H.R. 8860 which would accomplish this are the elimination of the requirement of planting cotton to be eligible for payments under that program and the broadening of the substitution provisions which would give discretionary authority to the Secretary to allow crops in addition to wheat, feed grains, and soybeans to be considered as allotment crops for allotment preservation purposes.~~

~~Operating provisions of the set-aside programs initiated under the Agricultural Act of 1970, would be continued with little change under the provisions of H.R. 8860. The allotments for feed grains, wheat, and cotton would not serve to limit acreages of these crops. These allotments would be used to determine the amount of set-aside, when needed, to qualify for benefits and would be used as the base upon which to compute payments.~~

~~The principal difference between the operating provisions of H.R. 8860 and the Agricultural Act of 1970 are the payment provisions for each of the feed grain, wheat, and cotton crops. Under H.R. 8860, an established price would be guaranteed for each of the crops of \$1.38 per bushel for corn, \$2.05 per bushel for wheat, and 38 cents per pound for cotton. Payment to participating farmers would be made based on the difference between the foregoing established prices and the average of prices received by farmers during the first five months of the marketing year (calendar year in the case of cotton). If average market prices are equal to or greater than the established prices, no government expenditure for direct payments would be involved. However, if farm prices should recede, payments would be made to compensate farmers for the difference between established prices and average market prices. Established prices for grain sorghum and barley would reflect the feed value relationship of those crops to corn.~~

~~compromise between those who would set this level at \$20,000 and the present level of \$55,000.~~

DAIRY PROGRAM (PAR. 2-6)

BACKGROUND

At the present time, there are 60 Federal milk orders in effect. They regulate almost 80 percent of the milk eligible for fluid use in the country. These orders are proposed by the dairy farmers in an area, developed by the Secretary of Agriculture on the basis of a public hearing, are made effective only after proposal by producers supplying the proposed marketing area and may be voted out by producers at any time.

Federal milk orders regulate transactions between milk dealers and dairy farmers in a specified marketing area. Under these orders, milk dealers are required to pay minimum prices for milk in accordance with the use made of milk. Retail milk prices are not regulated by Federal orders.

Prices for milk for fluid purposes (Class I) are established at levels necessary to assure an adequate supply of milk. Prices for milk going into manufactured dairy products (Class II) are established at levels which approximate the price paid farmers for milk at unregulated manufacturing plants. Prices established for Class I milk are higher than those established for Class II milk. The dairy farmer receives a blend price which reflects the relative utilization of milk in the market going into fluid products and manufactured products.

Authority for Class I base plans was first included in the Food and Agriculture Act of 1965, and during the 90th Congress was extended without change for 1 year through December 31, 1970, by Public Law 90-559. It was extended again with amendments by the Agricultural Act of 1970 which also provided separately for seasonal base plans and for so-called Louisville plans under which handler payments accumulate during one period for disbursement in another to encourage seasonal production adjustments. In only two orders, those for the Puget Sound, Washington, and Atlanta, Georgia, marketing areas, have Class I base plans been adopted. Present law provides that each producer supplying a market during a representative period may be given a proportion of the market's higher valued Class I sales on the basis of his deliveries during the representative period. Deliveries in excess of a producer's base are priced at the surplus (Class II) price. Bases may be sold and transferred.

EXPLANATION OF PROVISIONS

Paragraph (2) extends the authority for entering into Class I and Louisville base plans for four years until December 31, 1973, and provides that existing Class I plans may be extended through December 31, 1980. It also amends section 8c(17) by requiring the Secretary to hold a hearing on any proposed amendment to a milk marketing order if requested by one-third or more of the producers in the order area. A further provision of paragraph 2 amends section 8c(18), the minimum support pricing section, to include a new criteria "to assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs." The pricing standard now included in the Act requires the Secretary to maintain such prices

as will "insure a sufficient quantity of pure and wholesome milk." Although the need for establishing price levels that assure maintenance of adequate productive capacity to meet future needs is probably already embodied in the existing standard, the amendment is intended to make clear that adequate farm income is an important consideration in setting prices under milk marketing orders.

Paragraph (3) amends section 202 of the Agricultural Act of 1970 to—

- (1) permanently suspend the requirement that butterfat, and the products of milk and butterfat, be supported at not less than 75 percent of parity;
- (2) permanently adds anticipated future needs to the price support criteria for milk; and
- (3) permanently increases the minimum price support level for milk to 80 percent of parity.

Until suspended, for three years, by the 1970 Act, price support for butterfat and the products of milk and butterfat was mandatory under the Agricultural Act of 1949.

The permanent deletion of the provision to support butterfat, and the products of milk and butterfat, does not affect the requirement for supporting the price of milk. It simply continues the greater flexibility given the Secretary by section 202 of the 1970 Act in establishing the prices CCC shall pay for butter, nonfat dry milk and cheese in order to support the price of milk. Mainly, it will permit a much lower price for butter than would be possible had the 1970 amendment not been extended. In fact, if the 1949 requirement for supporting butterfat at a minimum of 75 percent of parity had not been deleted by the 1970 amendment, CCC's purchase price for butter, bought to support butterfat, would be at least 20 cents a pound higher than it is during the current marketing year. Furthermore, if parity continues to increase in the future, an increasingly high price for butter would be necessary in order to achieve the minimum 75 percent of parity butterfat support previously required by the Act of 1970.

The committee feels that continuing the authority for a relatively low butter price, as provided by section 202 of the 1970 Amendment, will further encourage butter consumption, reduce surplus production, and lower CCC purchases and costs.

This paragraph also amends Section 201(c) of the Act of 1949, as amended, to more specifically define the adequate supply objective of the dairy price support program. Prior to this amendment, the Act required that support be set at such level between 75 and 90 percent of parity as would assure an "adequate supply." This amendment requires that the support be set at a level, which will assure a supply of wholesome milk sufficient to satisfy both current and anticipated future requirements, including commercial market needs and high priority domestic welfare and school lunch program donations. This paragraph also permanently increases the minimum support level, effective upon enactment of the bill, to 80 percent of parity. This level would result in a current minimum support price of \$5.61 per hundredweight for manufacturing milk.

On March 8, 1973, the Department of Agriculture announced that the support level for manufacturing milk effective March 12, and for the 1973-74 marketing year would be \$5.29 per hundredweight, estimated at that time to be 75 percent of parity as of April 1, 1973, the

minimum required by law. On April 15, 1973, the Department reported that the average price received by farmers for milk of manufacturing grade was \$5.49 per hundredweight.

Paragraph (4) extends for four years, through 1977, the authority for donating dairy products acquired under the dairy price support program to the military agencies and the Veterans Administration. These agencies have been an important outlet for products acquired under the support program, especially during years of large milk production and CCC purchases. Since 1954, when donations to these agencies were first authorized, CCC has donated approximately 442 million pounds of butter, 25 million pounds of cheese, and 1 million pounds of nonfat dry milk.

Paragraph (5) extends the milk indemnity program for four years through December 31, 1977, and enlarges the current program to include indemnity payments for cows producing contaminated milk. This extension is necessary since in many cases it is less costly to pay an indemnity for the cow than to continue to pay indemnities for the milk until it is free from contamination. The program is discretionary with the Secretary. Since the indemnity program was first begun, through April 1973, payments to farmers have totaled \$1,409,214, and payments of \$110,166 have been made to manufacturers. Payments by years and by States, are summarized in the tables of the Appendix herein.

Paragraph (6) creates a new licensing program for dairy imports. The President would be authorized, but not required, to provide for the importation of dairy products only through the use of licenses issued by the Secretary of Agriculture. In issuing licenses for dairy products not currently being imported but sought to be imported after enactment of the bill, the Secretary would be required to give priority, for a 30 day application period, to domestic producers and processors who are willing to agree to actually import the products. The term "dairy products not currently being imported" is intended to mean both new classifications and quantities of dairy products. The term "domestic producers" is intended to mean domestic dairy producers (i.e. dairy farmers and associations of dairy farmers). The term "processors" is intended to mean those firms who process raw dairy products. After the expiration of the priority application period, and after the granting of licenses to the priority group, if any are sought and granted, all other license applicants shall be considered for the remaining balance of the quantity of the dairy product sought to be imported. Dairy products are defined to include (1) all forms of milk and dairy products, butterfat, milk solids-not-fat, and any combination or mixture thereof; (2) any article, compound, or mixture containing five percent or more of butter fat, or milk solids-not-fat, or any combinations of the two; and (3) casein, caseinates, lactose, and other derivatives of milk, butterfat, or milk solids-not-fat, if imported commercially for any food use. Dairy products would not include (1) industrial casein, industrial caseinates, or any other industrial products, not to be used in any form for any food use, or as an ingredient of food; or (2) articles not normally considered to be dairy products, such as candy, bakery goods, and other similar articles provided that dairy products in any form, in any such article, are not commercially extractable or capable of being used commercially as a replacement or substitute for such ingredients in the manufacture of any food product.

Paragraph (6) adds an additional section, section 205, dealing with the status of producer-handlers. It is intended by the Committee by this provision that the current legal status of producer-handlers shall be the same subsequent to the adoption of this Act as it was prior thereto. In this connection, the Committee intends to continue both this provision and the previous report language and legislative history of the 1965 and 1970 Agricultural Acts.

Wool Program (Par. 7)

H.R. 8860 would extend the National Wool Act of 1954, as amended, to extend for four years—through December 31, 1977—the period during which prices of wool and mohair are to be supported. It would stabilize the support price for shorn wool at 72 cents a pound and for mohair at 80.2 cents per pound for those years.

Payments are based on the percentage needed to bring the average return (price received on mohair sales plus payments) received by all producers up to the support level. The average price on mohair sales becomes known soon after the end of the marketing year. To determine an individual producer's payment, this percentage is applied to his proceeds from the sale of mohair.

The percentage method of payment encourages producers to improve the quality and marketing of mohair. The producers who get the higher market prices for mohair also get the higher support payments.

The payment rate on 1971 marketings was 166.4 percent of each grower's market return.

Payments totaling \$10.0 million were made on 19.8 million pounds of mohair marketed in 1971. Prices have been higher than in 1971 and the payment rate will be lower than last year.

Deductions are made from mohair payments to provide funds for advertising, promotion and related market development activities for mohair. Deductions for this purpose are authorized by the law and were approved by 80 percent of the producers voting in a 1967 referendum. The activities are carried out by the Mohair Council of America, Inc., an organization of Angora goat raisers. Deductions are at the rate of 1.5 cents per pound of mohair marketed, and totaled about \$299,000 for 1971.

Payments on shorn wool are based on the percent needed to bring the average return received by all producers up to the support level. The average price received from the sale of wool becomes known early in the year following the program year for which payments are to be made. To determine individual producer's payments, this percentage is applied to his proceeds from the sale of wool.

The percentage method of payments is employed to encourage producers to improve the quality and marketing of their wool. Under this method, the producer who gets a better market price for his wool also gets a higher support payment.

The law also provides for a payment on sales of unshorn lambs. (This wool is called pulled wool.) This payment is at a comparable rate to the shorn wool payment and is designed to encourage the normal practice of marketing lambs without shearing the wool.

The payment rate on 1971 marketings was 271.1 percent of each grower's return. The payment rate on 1972 marketings, made after

COMMITTEE CONSIDERATION OF H.R. 8860

The Committee began consideration of the general farm legislation with open hearings on March 20, 1973. On April 4 and 5, the full committee conducted open hearings on the P.L. 480 program, and on April 10, 11, 12 and 16, 1973 held open hearings on the food stamp program. An information meeting was held on May 22, and mark-up sessions were held on June 14, 15, and 18 thru 21, 1973. Used as a base for general farm legislation was Committee Print No. 1 which incorporated the language of the Senate Committee bill. More than 120 amendments were offered and considered in the full Committee and a similar number in the subcommittees.

Following the open hearings by the full Committee, each Subcommittee considered their respective provisions in the bill.

The Conservation and Credit Subcommittee held three open business meetings on May 24, 29 and 31, 1973 to consider a long term conservation program for inclusion in the bill.

The Cotton Subcommittee held an open hearing on its section on June 11, 1973, as well as 9 closed business meetings prior to its recommendation to the full Committee. Previously, the Subcommittee held open hearings on April 4-5 with witnesses from the cotton industry.

The Dairy and Poultry Subcommittee had open hearings on February 8 and 9 on dairy price support bills, and further considered dairy legislation with open business meetings on May 30, 31 and June 11 and open hearings on June 7 and 8 prior to its recommendation to the full Committee on June 12.

The Department Operations Subcommittee met in an open business meeting on June 5, 1973, and after discussion and clarification on provisions of the P.L. 480 program made its recommendations to the Committee. Previous to this action, the Subcommittee held Food Stamp oversight investigation hearings on March 13. In addition the full Committee had open hearings on the food stamp extension question for four days in April 1973.

The Livestock and Grains Subcommittee met on May 3 and 15, 1973 in open hearings on the sale of stored excess wheat. Their further consideration of the wheat and feed grains sections of the general farm legislation began on June 6 and 7 with open hearings. Open business meetings were held on May 16, 30 and June 13.

The Ad Hoc Subcommittee on General Farm Legislation met in closed business meetings May 31 and June 5 to consider miscellaneous provisions of the legislation.

Throughout the consideration of the general farm program the Committee and Subcommittees received testimony in the form of oral and written statements from both private and Government sectors. Witnesses included representatives from the Department of Agriculture, and the Department of Justice, Members of Congress, private citizens, farm, consumer, environmental and charitable organizations who presented their views to the Committee.

Another draft of the legislation with the suggested amendments of the Subcommittees was prepared prior to the final mark-up sessions and this draft was known as Committee Print No. 2.

On Wednesday, June 20, 1973, by a vote of 28 to 4, the Committee ordered introduced as a bill, Committee Print # 2, as amended. H.R. 8860 was introduced by Chairman Poage and twenty-four members of

the Committee on June 20, 1973, pursuant to the Committee direction, and in the presence of a quorum was ordered reported to the House by the Committee, without amendment, by a rollcall vote of 31 to 4 and 1 member voting present on June 21, 1973.

CURRENT AND FIVE SUBSEQUENT FISCAL YEAR COST ESTIMATE

Pursuant to Clause 7 of Rule XIII of the Rules of the House of Representatives, the Committee estimates the cost to be incurred by the Federal Government during the current and the five subsequent fiscal years as a result of the enactment of this legislation would be generally as estimated in the "Estimated Cost for all Major Titles of H.R. 8860" as submitted by the U.S. Department of Agriculture and dated June 25, 1973.

However, the Committee points out that these cost estimates for the various commodity programs are directly subject to marketing conditions in the next four years: While it is impossible to foresee with complete accuracy market conditions that far in the future, the Committee points out that there will be little (if any) expenditures under the target price formulas in the bill if market prices stay anywhere near current levels.

In the other provisions of the bill the actual level of appropriation will be up to the Congress annually in its Appropriations Acts implementing the authorization (some of which are open-ended).

As can be seen from the Department's projections the cost of the proposed programs are not expected to exceed the programs being administered under the Agricultural Act of 1970.

The Department's estimate follows:

	ESTIMATED COST FOR ALL MAJOR TITLES OF H.R. 8860 ¹									
	[In millions of dollars]									
	Fiscal year—									
1974	1975		1976		1977		1978		High	Low
	High	Low	High	Low	High	Low	High	Low		
II. Dairy:										
Marketing orders	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Price supports	165.8	232.5	302.4	302.4	390.6	473.1	473.1	473.1	473.1	473.1
Dairy indemnity	.4	.4	.4	.4	.4	.4	.4	.4	.4	.4
III. Wool and mohair		21.8		21.1		20.5		19.8		
IV. Wheat ²	394.0	781.0	843.0	937.0	989.0	1,019.0	1,079.0	1,124.0	1,201.0	
V. Feedgrains ³	503.0	536.0	557.0	652.0	771.0	856.0	795.0	896.0		
VI. Cotton:										
Direct payments and other CCC ⁴	460.0	460.0	475.0	475.0	575.0	575.0	640.0	640.0		
Insect	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0		
Research	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0		
VII. Public Law 480 ⁵	550.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0		
VIII. Beekeeper	2.5	2.5	2.5	2.5	2.0	2.0	2.0	2.0		
Food stamp	2,257.0	2,407.0	2,557.0	2,707.0	2,707.0	2,857.0	2,857.0	2,857.0		
IX. Miscellaneous:										
Wheat and grain res.	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0		
Rural fire	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0		
X. Forestry incentive	15.0		17.5		20.0		22.5			
Rural environmental Conservation ⁶	43.0		87.0		134.0		171.0			
Totals	3,367.4	5,624.4	5,719.4	6,115.1	6,262.1	6,797.7	6,942.7	7,266.0	7,440.0	

¹ For feed grains, wheat and cotton cost estimates were made assuming both a high and low level of demand.

² Does not include Public Law 480.

³ Wheat certificates.

⁴ All Public Law 480 costs.

⁵ Includes cost sharing for set-aside acreage authorized under Titles IV, V, and VI.

June 25, 1973.

As in the case of feed grains and wheat, it would be highly desirable to accumulate and maintain larger carry-over stocks of average and longer staple lengths' cotton.

If market price support levels were increased in line with recent currency revaluations and Commodity Credit Corporation minimum sale prices were increased, cotton prices would probably be stabilized within the range of 25 to 30 cents a pound during the four-year period 1975-1978.

It is probable that the "cost index" escalator would increase the target price above 38 cents a pound in 1976, 1977 and 1978, but that market prices also would increase in those years. Otherwise, cotton production would probably decline in the United States because of the absence of economic incentives to grow cotton at market price levels. (It is assumed that because of historical base provisions, much of the cotton will be produced by overplanting payment bases, where cotton production is now profitable at world market prices.) Unless market prices are maintained and increase as target prices increase as a result of cost factors, production in excess of payment bases will decrease.

If the cotton program is administered as indicated in the preceding paragraphs, the odds appear to be more than 50-50 that the average annual cost of the payments to 244,000 cotton producers to maintain the target price of 38 cents a pound would not exceed \$500 million annually.

WALTER W. WILCOX,
Senior Specialist in Agriculture

DEPARTMENTAL POSITION

The Department of Agriculture first appeared before the Committee on March 20, 1973 to discuss the views of the Administration on general farm legislation. Secretary of Agriculture Earl Butz presented the following statement:

STATEMENT OF THE HONORABLE EARL L. BUTZ, SECRETARY OF
AGRICULTURE

Mr. Chairman, it is with considerable pleasure that I come to the House Committee on Agriculture to discuss farm commodity legislation.

I look forward to working with the Committee to develop a bipartisan farm bill for the benefit of all . . . producers, consumers and taxpayers.

We have a rare opportunity to provide U.S. farmers with the agricultural structure they need in order to prosper in our modern day world.

Our goal is the same as yours—it is to strengthen farm income from the market over the long pull. In doing this, we should concentrate on net farm income, instead of prices per unit. Our goal is higher net farm income from larger production times strong market prices.

At the same time we want to slow the rise in farm costs due to inflation. We can make a contribution toward this end by keeping government costs under control to help stop inflation and to prevent a rise in taxes.

~~Wheat crop value and payments are nearly \$3.5 billion, also a record.~~

~~Cotton is making a strong recovery with crop value and payments totaling more than \$2.5 billion for 1972, the highest in more than 15 years.~~

~~Soybeans are showing a crop value of nearly \$5.1 billion, a billion and a half dollars more than the previous all-time high in 1971. This was accomplished without government payments.~~

~~At the same time, the development of market-oriented programs has been a boon to the livestock industry. Dairy, hog, and cattle producers are making more money.~~

~~The solid gains in farm returns during the past two years show that the legislation is meeting its objective of improved farm income. The record farm income for 1972 helped raise the average income of farm people to 83 percent of non-farm people. This is a considerable improvement over the 1960's when the average income of farm people was only 68 percent of the non-farm average. We will not be satisfied until farm incomes are on a full par with non-farm averages.~~

~~We can reach this goal if our farm programs continue to be responsive to the needs of farmers and keep farm products competitive at home and abroad. As we respond to these needs, sound farm programs can bring more idle acres into production and build more farm income from the marketplace.~~

~~The alternative—more money from the U.S. Treasury—is a bad choice. It is also unrealistic in today's society.~~

MORE FREEDOM FOR FARMERS

~~American agriculture decisively turned a corner. When artificial guarantees build surpluses—as they inevitably do—the only course left is to implement rigid mandatory controls. If there is any one thing that is clear, it is this: farmers do not want mandatory controls.~~

~~The Act of 1970 lets farmers make their decisions in response to market signals. Farmers are freed from controls and can manage their own businesses in the way they feel will make them the most profit. The set-aside lets farmers plant in a manner that is to their best advantage; they are not locked into outmoded production patterns of the past. The 1970 Act gives farmers more freedom than they have had in several decades.~~

~~The set-aside also enables us to deal adequately with our excess capacity. Adequate protection against runaway production is an essential part of any farm legislation.~~

~~We have demonstrated that you can prevent surpluses without putting each farm crop in its own production strait jacket. The set-aside concept recognizes that surplus production capacity should be approached as an overall acreage problem rather than a crop-by-crop problem. The set-aside concept permits us to return idled acres into production judiciously to supply growing markets, while at the same time continuing to improve farm income and permitting farmers to adjust their own acreage in the way that fits them best. It restores decision making and profit planning to the farmer, where it belongs.~~

~~Though I am pleased with the progress farmers are making in increasing their incomes, I am concerned about the high proportion~~

need correcting. The program authority in some instances is too restrictive to allow good judgment to prevail. For example, proven yields for payment purposes are required for cotton and wheat, yet the law provides broad authority to set yields for feed grains.

There has been substantial criticism of the failure of the law to protect set-aside acreage, particularly in areas where it lies fallow. Criticism has been made about the erosion hazard this land creates, and the loss of nesting and feeding areas for wildlife. We also wish to raise a serious question as to whether summer fallow designated as set-aside acreage is really land out of production.

Conserving bases have been more of a nuisance and an aggravation to farmers than they have been effective in meeting their objective. These bases also continue to create inequities from farm to farm in some instances.

Rigid payment and price guarantees prevent the program from being as effective as it should be to meet changing conditions. These guarantees lessen the ability of farmers to make decisions based on changing markets.

Payments to farmers, especially under the cotton and wheat programs, are higher than necessary to attain desired production adjustment objectives.

There are several ways to correct these limitations, and we are anxious to work with the Committee in finding acceptable and sound solutions.

RECOMMENDATIONS

We do have specific recommendations on some of these problems that I will offer for the Committee's consideration at this time.

First, income supplement payments, payments that exceed the amount needed to attain the desired set-aside or production adjustment objectives, should be discontinued. To provide an orderly transition and to provide farmers with a known transition period to facilitate long-range planning, these income supplement payments should be phased out over a 3-year period as we depend on a growing market demand to maintain farm incomes. The mandatory requirement that production adjustment payments must be made regardless of the amount of land set-aside should be modified.

Second, after the 3-year phase-out period for income supplement payments, it would be desirable to shift from the present use of outdated allotments and bases to a new cropland base. The set-aside requirement would be a percentage of the cropland base established for each farm. The payment rate per acre would be set at the level determined to achieve the total set-aside necessary to attain the production adjustment goal.

Third, the basic payment limitation of \$55,000 should apply to income supplement payments only. The payment limit—as it applies to income supplements—should be reduced over a 3-year period in proportion to the reduction in income supplement payments.

Fourth, with respect to the dairy program, we recommend that the 75 percent of parity minimum price support level be removed to give greater ability to respond to changing conditions. We also recommend that the 1970 Act provisions, which temporarily suspended the requirement to provide price support on butterfat, be made permanent. How-

ever, we do not believe that a comparable case can be made for a permanent Class I Base Plan.

~~Fifth, the Secretary should have discretionary authority to set payments for wool and mohair at levels he determines necessary to meet income and other program objectives.~~

~~The peanut, rice, and extra long staple cotton programs are not included in the 1970 Act, but these three, and possibly tobacco, should be carefully examined at this time. These should be handled in such a way that these commodities can adjust readily to changing conditions and can look forward to expanding markets, as is now true of other major farm commodities. We are exploring alternatives to the present programs and hope to work with farmers and with this Committee to work out acceptable program changes.~~

MOVE OUT OF THE COMMODITY BUSINESS

As we look at new farm legislation, we should remind ourselves that in order to achieve a strong, vital, and prosperous market-oriented agriculture we must get the government out of the commodity business. We are doing that now. On March 9th, the uncommitted stocks of the Commodity Credit Corporation were valued at a little over \$400 million, the smallest figure in more than two decades. At one time, this figure was in the billions of dollars—just a year ago, it was almost double today's holdings.

Farmers and the private trade should keep the supply in their hands. They should retain the marketing decision and market at the best prices for them. They should earn the profits for carrying the crop from periods of lower prices to periods of higher prices. Farmers are benefiting from this right now. The set-aside concept that we can continue in new legislation will help us hold these gains and multiply their effect in the coming years of growing markets and increased opportunities for farmers.

As long as there are surpluses hanging over our heads—no matter by what name they are called or for whatever purpose they are accumulated—they will depress farm prices. They will make buyers at home and abroad less aggressive. It is inevitable that if we pile up farm products in government hands we pile up problems for farmers.

URGENT TO ACT SOON

We cannot overemphasize the urgency that we all have to move ahead with our deliberations on new farm legislation. We will do all we can to work with you to move this legislation quickly. Farmers need time to plan. Foreign purchases should not be delayed while waiting for our new programs; markets lost are very difficult to recapture. This new legislation will be an integral part of the equation that will go into our positions in our 1973 trade negotiations.

Without new legislation, farm programs would fall back on the old, permanent legislation now on the books, which in our opinion should be repealed. This legislation is less than satisfactory. Under it, we would regress into the past and bring down a host of old problems on our heads: strict controls, rigid program provisions, unrealistic support levels, surpluses, dictation from government, and less free-

dom for farmers and for agriculture to meet today's changed conditions.

The old, permanent legislation on the books ranges from almost no program for feed grains to an impossibly rigid program for cotton. Under these provisions, there would be no way to avoid shrinking markets, rising stocks, increased government holdings and all of the problems that hopefully we have left behind.

Even though these provisions of the old law do not become effective until the 1974 crops, I am required by law, in the absence of wheat set-aside program, to decide and announce by April 16 whether or not strict marketing controls through quotas will be required on the 1974 wheat crop. In some parts of the country wheat farmers will be harvesting by May, and 1974 plantings will occupy their attention shortly thereafter. It is urgent that we get new legislation on the books quickly.

If deliberations continue through a long period into summer and fall, farmers will face uncertainties in their planning. Uncertainty will also diminish domestic and foreign consumption, particularly of cotton. Businesses would simply hesitate to make forward commitments while the U.S. legislative farm package is foggy and unclear.

WHO SHOULD CONTROL AGRICULTURE

In any discussion of legislation and the future of agriculture, we should turn to the question of who should control farming in America. I think we can agree—it should not be government. It should not be non-farm corporations. Farming should be controlled by the men and women and families who farm our land and provide our food.

We have taken a giant step away from domination of agriculture by government. The Agricultural Act of 1970 provided that step. It reversed a trend. The Federal Government is now serving agriculture rather than dominating it. The legislation we finally develop together can and should continue this trend to the undying gratitude of the Nation's farmers and in the best long-time interest of all citizens.

The entire Nation has a stake in farmers having the ability to be technically efficient, strong enough to keep our great agricultural plant functioning well, profitable enough to make a good living that is more on par with non-farm incomes, and independent enough to avoid government domination and control. I join with you in supporting legislation that will work toward that end, and which will give us a program that will bring promise and hope to the farm families of America and will bring abundant and safe food to the tables of Americans, as well as to hundreds of millions of people abroad.

On June 11, 1973, the Cost of Living Council submitted the following letter to the Committee regarding the legislation:

ECONOMIC STABILIZATION PROGRAM,
COST OF LIVING COUNCIL,
Washington, D.C., June 11, 1973.

Hon. W. R. POAGE,
Chairman, Committee on Agriculture,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: The Cost of Living Council has studied the provisions of S. 1888, the Agriculture and Consumer Protection Act.

Should the government decide to incur the prospective costs, it is important to note that the consumer will be paying for food commodities via the tax system rather than through the market. Although the incidence of the taxes may fall on somewhat different segments of society than the impact of higher market prices, there is no way to escape the reality that the general public would pay more for food. The Council strongly prefers a system in which the government does not artificially restrict production and the market is permitted to allocate resources in a way which reflects consumer preferences between food and all other goods demanded by the public. In our view, the Senate Bill does not allow the pricing system to perform this function.

The deficiency payments will essentially apply to the entire production of corn, wheat and cotton since the acreage allotments will be based on domestic requirements plus estimated exports plus desirable changes in the carryover. This is in contrast to the Agricultural Act of 1970 in which feed grain participants received a national average price guarantee on half of their base and wheat participants received marketing certificates on the portion of their crop used domestically for food (about one-third of the total U.S. production).

Applying deficiency payments to the portion of the crop required for domestic and export use plus carryover charges would result in a more direct subsidy to exports. As exports expand, the deficiency payments would increase to cover the enlarged market. Such a program would invite criticism from those countries whose producers would be affected by this competition. This could seriously impair our posture in upcoming GATT negotiations.

In the view of the Cost of Living Council, the defeat of the provisions in S. 1888 on milk marketing orders is regarded as favorable to the effort to keep fluid milk prices from rising unnecessarily.

With respect to other dairy provisions which have been retained, the Council feels that proposed boost in the support on dairy products for the balance of the 1973-74 marketing year to achieve 80 percent of parity on manufacturing milk is not necessary since milk prices have already reached that level. However, we view with more serious concern the establishment of the upper limit on imports of dairy products for food at 2 percent of the total annual consumption of milk and dairy products. It is not clear how this 2 percent will be determined. The decision as to whether the limit is established on a product-by-product basis, by milk equivalent, by fat or nonfat solids basis or some combination of these means makes a great deal of difference on the possible impact on the domestic supply situation. Such a provision in the farm program is not needed, and it too represents a move away from more liberalized international trade at a time when the U.S. is encouraging its trading partners to reduce artificial import barriers.

It is hoped that the views expressed in this communication will be taken into consideration as action proceeds on this legislation. Thank you for giving the Council the opportunity to make its views known on this important matter.

Sincerely,

JAMES W. McLANE,
Deputy Director.

As the legislation began to finally develop within the full committee, the Department again through Secretary Butz submitted the following statement in a letter to the Committee:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., June 15, 1973.

Re Farm Program Legislation.

Hon. W. R. POAGE,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN:

1. In view of the President's strong statement for price stability and his stated intention to oppose farm legislation which may be regarded as inflationary, it is appropriate that we make known the level of target prices and other features the Administration can support and can urge passage in the Congress.

2. The Administration has already moved substantially from its initial position of phase out of income supplement payments and elimination of bases for specific crops in favor of a total cropland base.

3. The Administration will accept the concept of target prices embodied in S. 1888, provided the established target prices are at a non-inflationary level and do not embody a large potential obligation against the budget. Acceptable levels of target prices have been outlined by Assistant Secretary Brunthaver in testimony before the Foley and Sisk subcommittees.

4. The escalator concept in S. 1888 is considered to be inflationary. If the target prices outlined by Assistant Secretary Brunthaver are embodied in the legislation, then the modified escalator agreed upon by the Committee yesterday is acceptable to the Administration.

5. The language in S. 1888 with respect to the level of commodity loans is preferred.

6. Food stamp provisions contained in S. 1888 constitute an unwarranted budgetary obligation and are not acceptable.

In view of the fact that food stamp authorization expires on June 30, it may be necessary to have separate food stamp legislation. It would be unwise to act too hastily on basic farm legislation just to meet food stamp legislation deadline.

7. The provision making permanent the higher level of dairy supports authorized for one year in S. 1888 is unacceptable.

May I assure you again of our desire to cooperate with the Congress in formulating farm legislation that meets the needs of our farmers and is neither unduly expensive nor inflationary.

Sincerely yours,

EARL L. BUTZ, Secretary.

And finally on June 29, the day before the committee reported the bill, the Administration, in another letter, registered the Department's final position:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., June 20, 1973.

Hon. W. R. POAGE,
Chairman, Committee on Agriculture,
House of Representatives.

DEAR MR. CHAIRMAN: In order to clarify any misunderstanding that may exist relative to my letter of June 15, let me emphasize the fol-

lowing. Guarantee prices above \$1.84 for wheat, \$1.26 for corn and 35c for cotton with the agreed escalation reflecting higher costs per unit of output are unacceptable to this Administration. If the bill contains guarantee prices above these levels, we will work aggressively to defeat the measure on the floor of the House of Representatives. Should the Congress want to remove the escalation features we will be willing to discuss somewhat higher guarantee prices.

With respect to loan levels, please keep in mind that if loans are set too close to guarantee prices, production adjustment efforts if needed in the future will be ineffective.

Sincerely,

EARL L. BUTZ, *Secretary*

SECTION-BY-SECTION ANALYSIS

The bill is comprised of seven sections, including the short title "Agriculture and Consumer Protection Act of 1973", which is contained in section 7.

Section 1 extends (generally for four years) and amends the first seven titles and a portion of title VIII of the Agricultural Act of 1970, and adds a new title X. Title IX of that Act is permanent law. Section 1 is divided into paragraphs as follows:

PARAGRAPH (1)

~~PAYMENT LIMITATION~~

Paragraph (1) extends title I of the 1970 Act, which provides for a payment limitation, for four years, lowers the limitation from \$55,000 to \$37,500, and amends it to exclude payments for resource adjustment and public access for recreation. The payment limitation applies to each of the annual programs established for wheat, feed grains, and upland cotton.

PARAGRAPH (2)

~~MILK MARKETING ORDERS~~

Paragraph (2) extends section 201 of the Agricultural Act of 1970 for four years and thereby extends authority for use of seasonal base plans, seasonal incentive (Louisville) plans and Class I base plans in Federal milk orders for four years, and provides that any Class I base plan incorporated in a milk order prior to December 31, 1977, may be effective until December 31, 1980.

Title I of the Food and Agriculture Act of 1965 provided the initial authority for a "Class I Base Plan" in Federal orders. During the 90th Congress, it was extended without change for one year through December 31, 1970, by Public Law 90-559. The amendments provided additional flexibility in both the determination of base periods and the entry of new producers into a base plan. The Agricultural Act of 1970 further extended and amended the Class I base plan authority. Under the present law, this authority would expire at the end of 1973 for new plans, and at the end of 1976 for plans now in effect.

The Class I base authority in the Agricultural Act of 1970 basically provides for an allotment system that apportions the value of fluid

milk sales within a market area among producers on the basis of their past deliveries of milk. For deliveries within his base, a producer receives a price close to the Class I price, and for the marketings in excess of his base, he receives the lower "surplus" price.

Adoption of the Class I plan is optional with each market order area and can be put into effect only if separately approved by two-thirds of the producers voting individually in a referendum. Individual producers have one vote each. The Class I base plan provisions may be terminated separately if a majority of producers favor such termination. Disapproval by producers or termination of such order provisions is not considered disapproval of the entire order or of other terms of the order.

Paragraph (2) also amends section 8c(17) of the marketing order law to provide that if one-third or more of the producers under a milk order apply in writing for a hearing on a proposed amendment, the Secretary shall call such a hearing, provided that the proposed amendment is one that legally can be made. Also, the Secretary is not required to hold a hearing on a proposed amendment within 90 days of the time he announces a decision on a previously proposed and essentially similar amendment.

Paragraph (2) also amends section 8c(18) of the marketing order law. This amendment makes it more explicit that prices in Federal milk orders should be set at levels not only to insure adequate supplies of high quality milk currently, but that price levels established should be such as to assure a level of farm income adequate to maintain the productive capacity in dairying needed to meet anticipated future needs.

The pricing standard now included in the Act requires the Secretary to maintain such prices as will "insure a sufficient quantity of pure and wholesome milk." Although the need for establishing price levels that assure maintenance of adequate productive capacity to meet future needs is probably already embodied in the existing standard, the amendment makes this clear.

PARAGRAPH (3)

MILK PRICE SUPPORT, BUTTERFAT PRICE SUPPORT SUSPENSION

Paragraph (3) changes section 202 of the Agricultural Act of 1970 to permanently delete the requirement that butterfat, and the products of milk and butterfat, be supported at not less than 75 percent nor more than 90 percent of parity. Until suspended for three years by the 1970 Act, such support was mandatory under the Agricultural Act of 1949. This will not affect the requirement to support the price of milk. It will permanently continue the flexibility given to the Secretary by section 202 of the 1970 Act to determine which dairy products should be purchased by CCC, and at what prices, to achieve the support level he establishes for milk. Paragraph (3) further amends section 202 of the 1970 Act by more specifically defining the adequate supply objective of the dairy price support program. In addition, this amendment places a floor of 80 percent of parity under the level of support.

As amended, section 201(c) would require the Secretary to support the price of milk at such level not in excess of 90 percent nor less than

80 percent of parity as he determines will assure a supply of pure and wholesome milk adequate to meet both current and anticipated future needs, after taking into consideration changes in production costs and the incomes of dairy farmers.

PARAGRAPH (4)

TRANSFER OF DAIRY PRODUCTS TO THE MILITARY AND TO VETERANS HOSPITALS

Paragraph (4) extends for four years, through 1977, the authority for donating dairy products acquired under the dairy price support program to the military agencies and the Veterans Administration.

PARAGRAPH (5)

DAIRY INDEMNITY PROGRAM

Paragraph (5) extends the authority for the dairy indemnity program through June 30, 1977. It also expands the program by authorizing indemnity payments on cows producing milk which is removed from the market because of residues of chemicals which are registered and approved for use by the Federal Government. The expanded authority would, however, be limited to cows producing milk which is directed to be removed from the market after the enactment of the Agriculture and Consumer Protection Act of 1973.

PARAGRAPH (6)

DAIRY IMPORT LICENSES

Paragraph (6) would amend section 22 of the Agricultural Adjustment Act of 1938, as amended, to require, when licenses are issued authorizing the importation during any period after the enactment of this Act of dairy products not currently subject to section 22 quotas, that before such licenses are made available to other applicants they be made available for a 30-day period to domestic producers and processors who agree to import such dairy products.

Dairy products, for the purpose of this provision, are defined to include (1) all forms of milk and dairy products, butterfat, milk solids-not-fat, and any combination or mixture thereof; (2) any article, compound, or mixture containing five percent or more of butterfat, or milk solids-not-fat, or any combinations of the two; and (3) casein, caseinates, lactose, and other derivatives of milk, butterfat, or milk solids-not-fat, if imported commercially for any food use. Dairy products would not include (1) industrial casein, industrial caseinates, or any other industrial product, not to be used in any form for any food use, or an ingredient of food; or (2) articles not normally considered to be dairy products, such as candy, bakery goods, and other similar articles; *Provided*, That dairy products in any form, in any such article, are not commercially extractable or capable of being used commercially as a replacement or substitute for such ingredients in the manufacture of any food product.

Paragraph (6) also adds an additional section, section 205, dealing with the status of producer-handlers.

PARAGRAPH (7)

WOOL PROGRAM

Paragraph (7) extends the National Wool Act of 1954, as amended, for four years, through 1977, continuing the support price for shorn wool at 72 cents per pound and for mohair at 80.2 cents per pound. This paragraph also amends the National Wool Act to authorize the use of promotion funds deducted from payments under section 708 of that Act for the development and dissemination of production and marketing information for producers of wool, mohair, sheep, or goats or the products thereof. It further amends section 708 to authorize the use of deductions from mohair payments to expand foreign markets and uses for mohair or goats or the products thereof produced in the United States.

PARAGRAPH (8)

WHEAT PRODUCTION INCENTIVES

Paragraph (8) amends section 401 of the 1970 Act to extend the loan program on wheat through the 1977 crop. Loans would be made at such level as the Secretary determined appropriate, taking into consideration competitive world wheat prices, the feeding value of wheat in relation to feed grains, and the feed grain support level. However, in no event could the loan rate be more than parity or less than \$1.49 per bushel. Marketing certificates would no longer be issued. Instead, section 107 of the Agricultural Act of 1949 would be amended to provide for making payments to producers. The payment rate would be an amount equal to the difference between the established price of \$2.05 per bushel and the higher of (1) the national weighted average market price during the first five months of the marketing year or (2) the loan level for wheat. For each of the 1975 through 1977 crops, the established price would be adjusted annually to reflect any changes in the index of prices paid by farmers for production items, interest, taxes, and wage rates, and changes in yield.

The index of prices paid by farmers at the beginning of each marketing year would be compared with the same index calculated at the beginning of the preceding marketing year. The adjustment would be calculated as follows:

Assuming the July 1, 1975, index of prices paid by farmers is 525 and the July 1, 1974, index was 500, the current year index would be 105 percent of the one in effect in the preceding year. Assuming the average wheat yield for the three calendar years preceding the current year is 33.7 bushels per acre and the three-year average previous to the one for which determination is made is 33.0 bushels per acre, the average for the current year would be 102 percent of the one for the preceding year. The yield change would be subtracted from the production cost change to determine a net adjustment of 3 percent. The adjusted established price for wheat for 1975 would then be 103 percent of \$2.05 or \$2.11 per bushel.

Section 5 also provides that no grant or loan authorized to be made under section 304, section 310B, or section 312 of the Consolidated Farm and Rural Development Act shall be subject to the prior approval of any officer, employee, or agency of any State.

SECTION 6

Section 6 of the Act amends section 401 of the Rural Development Act of 1972 by substituting the words "fire" and "fires" for "wildfire" and "wildfires" in the authority under which the Secretary provides assistance through cooperative agreements with appropriate State officials in preventing, controlling, and suppressing fires in rural areas. This broadens the scope of assistance available to rural communities by changing the program from wildfire protection assistance to general fire protection.

Section 404 of the Rural Development Act is also amended to authorize appropriations in the amount of \$7,000,000 for each of the three consecutive years beginning with the fiscal year for which funds are first appropriated and obligated by the Secretary to carry out title IV.

SECTION 7

Section 7 provides that the Act may be cited as the "Agriculture and Consumer Protection Act of 1973."

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted in enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman) :

AGRICULTURAL ACT OF 1970

That this Act may be cited as the "Agricultural Act of 1970".

TITLE I—PAYMENT LIMITATION

Changes made by paragraph (1) of bill (Payment Limitation).

SEC. 101. Notwithstanding any other provision of law—

(1) The total amount of payments which a person shall be entitled to receive under each of the annual programs established by titles IV, V, and VI of this Act for the [1971, 1972, or 1973 crop] 1971 through 1977 crops of the [commodity] commodities shall not exceed [\$55,000] \$37,500.

(2) the term "payments" as used in this section [includes price-support payments, set-aside payments, diversion payments, public access payments, and marketing certificates, but does not include loans or purchases] shall not include loans or purchases, or any part of any payment which is determined by the Secretary to represent compensation for resource adjustment or public access for recreation.

TITLE II—DAIRY

DAIRY BASE PLANS

SEC. 201. (a) The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended by striking in subparagraph (B) of subsection 8c(5) all that part of said subparagraph (B) which follows the comma at the end of clause (c) and inserting in lieu thereof the following: "(d) a further adjustment to encourage seasonal adjustments in the production of milk through equitable apportionment of the total value of the milk purchased by any handler, or by all handlers, among producers on the basis of their marketings of milk during a representative period of time, which need not be limited to one year; (e) a provision providing for the accumulation and disbursement of a fund to encourage seasonal adjustments in the production of milk may be included in an order; and (f) a further adjustment, equitably to apportion the total value of milk purchased by all handlers among producers on the basis of their marketings of milk, which may be adjusted to reflect the utilization of producer milk by all handlers in any use classification or classifications, during a representative period of one to three years, which will be automatically updated each year. In the event a producer holding a base allocated under this clause (f) shall reduce his marketings, such reduction shall not adversely affect his history of production and marketing for the determination of future bases, or future updating of bases, except that an order may provide that, if a producer reduces his marketings below his base allocation in any one or more use classifications designated in the order, the amount of any such reduction shall be taken into account in determining future bases, or future updating of bases. Bases allocated to producers under this clause (f) may be transferable under an order on such terms and conditions, including those which will prevent bases taking on an unreasonable value, as are prescribed in the order by the Secretary of Agriculture. Provisions shall be made in the order for the allocation of bases under this clause (f)—

“(i) for the alleviation of hardship and inequity among producers; and

“(ii) for providing bases for dairy farmers not delivering milk as producers under the order upon becoming producers under the order who did not produce milk during any part of the representative period and these new producers shall within ninety days after the first regular delivery of milk at the price for the lowest use classification specified in such order be allocated a base which the Secretary determines proper after considering

Changes made
by paragraph
(2) of bill
(Milk Market-
ing Orders).

supply and demand conditions, the development of orderly and efficient marketing conditions and to the respective interests of producers under the order, all other dairy farmers and the consuming public. Producer bases so allocated shall for a period of not more than three years be reduced by not more than 20 per centum; and

"(iii) dairy farmers not delivering milk as producers under the order upon becoming producers under the order by reason of a plant to which they are making deliveries becoming a pool plant under the order, by amendment or otherwise, shall be provided bases with respect to milk delivered under the order based on their past deliveries of milk on the same basis as other producers under the order; and

"(iv) such order may include such additional provisions as the Secretary deems appropriate in regard to the reentry of producers who have previously discontinued their dairy farm enterprise or transferred bases authorized under this clause (f); and

"(v) notwithstanding any other provision of this Act, dairy farmers not delivering milk as producers under the order, upon becoming producers under the order, shall within ninety days be provided with respect to milk delivered under the order, allocations based on their past deliveries of milk during the representative period from the production facilities from which they are delivering milk under the order on the same basis as producers under the order on the effective date of order provisions authorized under this clause (f): *Provided*, That bases shall be allocated only to a producer marketing milk from the production facilities from which he marketed milk during the representative period, except that in no event shall such allocation of base exceed the amount of milk actually delivered under such order.

The assignment of other source milk to various use classes shall be made without regard to whether an order contains provisions authorized under this clause (f). In the case of any producer who during any accounting period delivers a portion of his milk to persons not fully regulated by the order, provision shall be made for reducing the allocation of, or payment to be received by, any such producer under this clause (f) to compensate for any marketings of milk to such other persons for such period or periods as necessary to insure equitable participation in marketings among all producers. Notwithstanding the provisions of section 8c(12) and the last sentence of section 8c(19) of this Act, order provisions under this clause (f) shall not be effective in any marketing order unless separately approved by producers in a referendum in which each individual producer shall have one vote and may be terminated separately whenever the Secretary

makes a determination with respect to such provisions as is provided for the termination of an order in subparagraph 8c(16) (B). Disapproval or termination of such order provisions shall not be considered disapproval of the order or of other terms of the order."

(b) The legal status of producer handlers of milk under the provisions of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, shall be the same subsequent to the adoption of the amendments made by this Act as it was prior thereto.

(c) Nothing in subsection (a) of this section 201 shall be construed as invalidating any class I base plan provisions of any marketing order previously issued by the Secretary of Agriculture pursuant to authority contained in the Food and Agriculture Act of 1965 (79 Stat. 1187), but such provisions are expressly ratified, legalized, and confirmed and may be extended through and including December 31, 1971.

(d) It is not intended that existing law be in any way altered, rescinded, or amended with respect to section 8c(5) (G) of the Agricultural Adjustment Act, as re-enacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, and such section 8c(5) (G) is fully reaffirmed.

(e) The provisions of this section shall not be effective after December 31, [1973] 1977 except with respect to orders providing for Class I base plans issued prior to such date, but in no event shall any order so issued extend or be effective beyond December 31, [1976] 1980.

(f) *The Agricultural Adjustment Act as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended is further amended by:*

(1) striking the period at the end of subsection 8c(17) and adding in lieu thereof the following: " : Provided further, That if one-third or more of the producers as defined in a milk order apply in writing for a hearing on a proposed amendment of such order, the Secretary shall call such a hearing if the proposed amendment is one that may legally be made to such order.

Subsection (12) of this section shall not be construed to permit any cooperative to act for its members in an application for a hearing under the foregoing proviso and nothing in such proviso shall be construed to preclude the Secretary from calling an amendment hearing as provided in subsection (3) of this section. The Secretary shall not be required to call a hearing on any proposed amendment to an order in response to an application for a hearing on such proposed amendment if the application requesting the hearing is received by the Secretary within ninety days after the date on which the Secretary has announced his decision on a previously proposed amendment to such order and the two proposed amendments are essentially the same."

(2) inserting after the phrase "pure and wholesome milk" in section 8c(18) the phrase "to meet current needs and further to assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs."

SUSPENSION OF BUTTERFAT SUPPORT PROGRAM

Changes made by paragraph (3) of the bill (Milk Price Support, Butterfat Price Support Suspension).

SEC. 202. [Effective only with respect to the period beginning April 1, 1971, and ending March 31, 1974—]

(a) The first sentence of section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446), is amended by striking the words "milk, butterfat, and the products of milk and butterfat" and inserting in lieu thereof the words "and milk".

(b) Paragraph (c) of section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446(c)), is amended to read as follows:

"(c) The price of milk shall be supported at such level not in excess of 90 per centum nor less than [75] 80 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply of pure and wholesome milk to meet current needs, reflect changes in the cost of production, and assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs. Such price support shall be provided through purchases of milk and the products of milk."

TRANSFER OF DAIRY PRODUCTS TO THE MILITARY AND TO VETERANS HOSPITALS

Changes made by paragraph (4) of bill (Transfer of Dairy Products to the Military and to Veterans Hospitals).

SEC. 203. Section 202 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446a), is amended by changing "December 31, 1970" to read "December 31, [1973] 1971" both places it appears therein.

DAIRY INDEMNITY PROGRAM

Changes made by paragraph (5) of the bill (Dairy Indemnity Program).

SEC. 204. (a) Section 3 of the Act of August 13, 1968 (Public Law 90-484; 82 Stat. 750), is amended by striking out the word "June 30, 1970.", and inserting in lieu thereof the word "June 30, [1973] 1977".

(b) [The first sentence of section 1 of said Act is amended by inserting, "and manufacturers of dairy products who have been directed since the date of enactment of the Agricultural Act of 1970 to remove their dairy products," after "milk", and the second sentence is revised to read: "Any indemnity payment to any farmer shall continue until he has been reinstated and is again allowed to dispose of his milk on commercial markets."] Section 1 of said Act is amended to read as follows:

"SECTION 1. The Secretary of Agriculture is authorized to make indemnity payments for milk or cows producing

such milk at a fair market value, to dairy farmers who have been directed since January 1, 1964 (but only since the date of enactment of the Agriculture and Consumer Protection Act of 1973 in the case of indemnity payments not authorized prior to such date of enactment), to remove their milk, and to manufacturers of dairy products who have been directed since the date of enactment of the Agricultural Act of 1970 to remove their dairy products from commercial markets because of residues of chemicals registered and approved for use by the Federal Government at the time of such use. Any indemnity payment to any farmer shall continue until he has been reinstated and is again allowed to dispose of his milk on commercial markets."

"DAIRY IMPORT LICENSES

"SEC. 205. Section 22 of the Agricultural Adjustment Act (7 U.S.C. 634) is amended by adding at the end thereof the following:

Changes made by paragraph (6) of bill (Dairy Import Limitations).

"(g) The President is authorized to provide that dairy products may be imported only by or for the account of a person or firm to whom a license has been issued by the Secretary of Agriculture. In issuing a license for dairy products not currently being imported but sought to be imported under this section during any period after the enactment of the Agricultural and Consumer Protection Act of 1973, the Secretary shall make licenses available for a thirty-day period before issuing licenses to other applicants to domestic producers and processors who agree to import such dairy products. For purposes of this subsection, dairy products include (1) all forms of milk and dairy products, butterfat, milk solids-not-fat, and any combination or mixture thereof; (2) any articles, compounds, or mixture containing 5 per centum or more of butterfat, or milk solids-not-fat, or any combinations of the two; and (3) casein, caseinates, lactose, and other derivatives of milk, butterfat, or milk solids-not-fat, if imported commercially for any food use. Dairy products do not include (1) industrial casein, industrial caseinates, or any other industrial product, not to be used in any form for any food use, or an ingredient of food; or (2) articles not normally considered to be dairy products, such as candy, bakery goods, and other similar articles: Provided, That dairy products in any form, in any such article are not commercially extractable or capable of being used commercially as a replacement or substitute for such ingredients in the manufacture of any food product."

"PRODUCER HANDLERS

"SEC. 206. The legal status of producer handlers of milk under the provisions of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural

Changes made by paragraph (7) of bill (Wool Program).

Marketing Agreement Act of 1937, as amended, shall be the same subsequent to the adoption of the amendments made by the Agriculture and Consumer Protection Act of 1973 as it was prior thereto."

TITLE III—WOOL

SEC. 301. The National Wool Act of 1954, as amended, is amended as follows:

(1) Designate the first two sentences of section 703 as subsection "(a)", and, in the second sentence, delete "1970" and substitute "[1973] 1977".

(2) In the third sentence of section 703, delete the portion beginning with "The support price for shorn wool shall be" and ending with "Provided further, That the" and substitute "The", designate the third sentence as subsection "(b)", change the period at the end thereof to a colon and add the following: "Provided, That for the [three] marketing years beginning January 1, 1971, and ending December 31, [1973] 1977, the support price for shorn wool shall be 72 cents per pound, grease basis."

(3) Designate the fourth and fifth sentences of section 703 as subsection "(c)", change the period at the end of the fifth sentence to a colon and add the following: "Provided, That for the [three] marketing years beginning January 1, 1971, and ending December 31, [1973] 1977 the support price for mohair shall be 80.2 cents per pound, grease basis."

(4) Designate the sixth sentence of section 703 as subsection "(d)".

(5) Designate the last sentence of section 703 as subsection "(e)".

(6) Strike out the first sentence of section 708 and insert the following: "The Secretary of Agriculture is authorized to enter into agreements with, or to approve agreements entered into between, marketing cooperatives, trade associations, or others engaged or whose members are engaged in the handling of wool, mohair, sheep, or goats or the products thereof for the purpose of developing and conducting on a National, State, or regional basis advertising and sales promotion programs and programs for the development and dissemination of information on product quality, production management, and marketing improvement, for wool, mohair, sheep, or goats or the products thereof. Advertising and sales promotion programs may be conducted outside of the United States for the purpose of maintaining and expanding foreign markets and uses for mohair or goats or the products thereof produced in the United States."

MILK SUPPLY AND UTILIZATION 1952, 1965-1972, AND PROJECTED FOR 1973

Year	Billion pounds milk equivalent						Price received by farmers for all milk wholesale	Milk per cow (pounds)	Number of milk cows (thousands)	Gross cash receipts (millions)				
	Production	Supply			Utilization									
		Begin stocks	Imports	Total	Domestic	Exports ¹								
1952	115.1	3.6	0.7	119.4	110.1	3.3	0.9	5.1	21,338	\$4.85				
1965	124.2	5.3	1.9	130.4	121.4	2.1	2.4	4.5	14,953	4.23				
1966	119.5	4.5	2.8	127.2	119.1	2.0	1.2	4.9	14,071	5.038				
1967	118.7	4.9	2.9	126.5	115.5	1.9	1.8	8.3	13,115	5.533				
1968	117.2	8.3	1.8	127.3	117.0	1.8	1.8	6.7	12,832	5.742				
1969	116.1	6.7	1.6	124.4	116.0	1.7	1.4	5.3	12,307	5.957				
1970	117.0	5.2	1.9	124.1	115.6	1.7	1.0	5.8	12,000	6.196				
1971	118.5	5.8	1.3	125.6	115.9	1.6	3.0	5.1	11,842	6.525				
1972	120.3	5.1	1.7	127.1	117.8	1.6	2.2	5.5	11,710	6.811				
April estimate for 1973	119.5	5.5	2.3	127.3	118.7	1.6	1.1	5.9	11,475	6.07				
									10,414	7.156				
									7,500	7,500				

¹ Excludes cream and bulk condensed stocks beginning 1970.¹ Includes shipments

SUMMARY OF DAIRY INDEMNITY PAYMENTS TO FARMERS AND MANUFACTURERS (JAN. 1, 1964 TO APR. 30, 1973)

Fiscal year	Dairy farmers	Manufacturers of dairy products
1965	\$349,933	
1966	150,611	
1967	279,533	
1968	194,727	
1969	104,416	
1970	188,705	
1971	71,474	\$15,500
1972	36,505	
1973	33,310	94,666
Total	1,409,214	110,166
Grand total	1,519,380	

¹ Includes claims for the period Jan. 1, 1964 through June 30, 1965 (18 months).

DAIRY INDEMNITY PAYMENTS, CLAIMS BY STATES AND FISCAL YEARS, 1965-66 TO DATE

State	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72	1972-73
Alabama				\$2,163	\$9,101	\$3,660		
Arizona	\$1,266		9,616	\$31,119				
Arkansas			2,469					
California	3,838	\$8,133	4,045	2,155	9,483			
Colorado			2,122		1,800	11,645		
Florida			4,403		29,802	779		
Georgia	9,360					2,088	\$14,006	
Idaho			2,247					
Illinois	224	282			17,318	3,716	559	
Iowa	20,795					13,985		\$5,824
Kansas	77,615				2,577	5,217		
Kentucky				21,421		1,565		
Louisiana				13,979				
Maryland	13,868						4,317	
Massachusetts								
Mississippi	3,583	1,429			8,060			
Missouri	914					21,940	8,988	
Montana			47,635	4,756	5,190	1,052		
Nebraska	4,505	2,373	7,822		4,793		1,293	
New York							3,786	
North Carolina				7,066	41,004	4,301		
Ohio					16,151			
Oklahoma					3,250	7,455		
Tennessee						2,864		
Texas		244,473	97,724		14,106	8,068		
West Virginia	3,576		15,021	22,303	23,920	9,956	15,500	108,847
Wisconsin	11,067					16,114		
Wyoming								
Total	150,611	279,533	194,727	104,416	188,705	86,974	36,505	127,979

¹ Through Apr. 30, 1973.

² Payment to dairy manufacturer.

³ Includes payment of \$94,666 to dairy manufacturer.

AVERAGE ANNUAL PRICES RECEIVED BY FARMERS, 1950-72—Continued

Year	Commodity				
	All milk sold to plants (per hundred-weight)	Manufacturing milk wholesale (per hundredweight)	Brailers (cents per pound)	Eggs (cents per dozen)	Wool (cents per pound)
1950	\$3.95	\$3.22	27.4	36.3	60.7
1951	4.63	3.91	28.6	47.8	88.4
1952	4.90	4.10	28.8	41.6	53.8
1953	4.36	3.55	27.1	47.7	52.9
1954	4.01	3.19	23.1	36.6	53.0
1955	4.01	3.15	25.2	39.5	42.8
1956	4.14	3.25	19.6	39.3	44.3
1957	4.21	3.27	18.9	35.9	53.7
1958	4.13	3.15	18.5	38.5	36.4
1959	4.16	3.17	16.1	31.4	43.3
1960	4.21	3.25	16.9	36.0	41.8
1961	4.22	3.36	13.9	36.5	41.4
1962	4.19	3.20	15.2	32.6	44.8
1963	4.11	3.21	14.6	34.4	48.5
1964	4.16	3.26	14.2	33.8	53.2
1965	4.23	3.34	15.0	33.7	47.1
1966	4.81	3.97	15.3	39.1	52.1
1967	5.02	4.06	13.3	31.2	39.8
1968	5.24	4.22	14.2	34.0	40.5
1969	5.49	4.45	15.2	40.0	41.8
1970	5.71	4.70	13.6	39.1	35.5
1971	5.87	4.86	13.7	31.4	19.1
1972	(1)	(1)	(1)	(1)	(1)
Jan. 15, 1973	6.52	5.47	17.2	49.5	54.4

† Not available.

CHANGES IN SELECTED ITEMS OF INCOME, 1950 TO 1972

[In billions of dollars]

	Items of income				
	Compensation of employees	Rental income of persons	Business and professional income	Corporate income before taxes	Realized net farm income
1950	154.6	9.4	24.0	42.6	12.9
1972	705.3	25.6	55.6	93.3	19.2
Percent increase	356.2	172.3	131.7	119.0	48.8

Source: Economic Indicators, February 1973.

CHANGES IN INDEX OF PRICES RECEIVED BY FARMERS AND PRICES PAID BY FARMERS

	Index	
	Prices received	Prices paid
June, 1950		249.0
January, 1973	365.0	458.0
Percent increase	46.6	79.6

MINORITY VIEWS

GENERAL STATEMENT

~~This bill should be rejected by the House because it wedges the worst of past farm programs to an unsound and expensive system of agricultural price fixing for the future.~~

~~It is bad for consumers who are weary of high food prices artificially enhanced by government price fixing and payment for nonproduction.~~

~~It is bad for taxpayers who are burdened by a multi-billion dollar subsidy system that will surely increase in cost and complexity in the years ahead.~~

~~It is bad for farmers who are hoping for a market-oriented agriculture that would aim for a greater opportunity and expansion of markets, both at home and overseas.~~

~~It is, in short, bad for the Nation.~~

WHAT THE BILL DOES

~~Basically, this bill maintains and continues the "status quo" of farm policies that over the past four decades have brought an ever-increasing expenditure of the public treasure on programs that were (and are) designed to create artificial shortages of food and fiber in an effort to enhance prices.~~

~~This bill is different from its predecessors only in the method of delivering subsidies. It is no different in its commitment to continuing that subsidy system.~~

~~The "target price" concept calls for guaranteed minimum prices that will surely cost the public billions of dollars either in the form of taxpayer payments or in the form of higher consumer prices.~~

~~If, as proponents of this bill claim, there will be little or no "income supplement" payments, then the taxpayer must pay enormous amounts of money for an adequate set-aside (or "resource adjustment") for market prices to reach or exceed the "target price" guarantees.~~

~~On the other hand, if farm prices decline as the result of greater production or greater farm efficiency in the years ahead, the taxpayer again will be called upon to make up in direct income payments billions of dollars of "income supplements" to fill the mandatory statutory gap between the ever-escalating target prices and those lower market prices.~~

~~H.R. 8860, in brief, does not present a very happy choice to the American public. Instead it places the consumer and the taxpayer each on a horn of an economic dilemma from which they will not escape for a long time.~~

A. What it does to consumers

~~There is no question that the permanent increase in the dairy price support for manufacturing milk to 80 percent of parity would increase~~

~~(191)~~

consumer prices. Since the price of this milk is used as the basis for Class I fluid milk, an increase would obviously make not only butter, cheese, and other dairy products more expensive, but would eventually cause the Class I fluid milk to rise in price as well.

The Department of Agriculture would also incur additional price support costs as shown by Table 1.

During the next five years, this bill would continue to fan the flames of inflation by idling grain and cotton land that would otherwise be usefully cultivated and by restricting domestic marketing in milk through the expansion of the Class I base plan. The letter from the Cost of Living Council included in the Committee Report amplifies the effect on consumers.

B. What it does to taxpayers

Make no mistake about it. This is an expensive bill, and it is one that in the future will be more expensive than the present program. The argument is made, of course, that "at present prices this bill won't cost a dime."

The term "at present prices" is the key to that argument. Present prices are the highest in many years. They are primarily the result of seasonal bad weather and extraordinarily large exports this past year. The likelihood of prices remaining in the current range for prolonged periods of time without substantial land retirement programs is not high. In 1972, for example, the Federal Government "set aside" or idled approximately 60 million acres. This year only 15 million acres are "set aside" or idled. The extra 45 million acres of production is certainly going to have an effect on future farm prices. Thus, a return to lower and more normal levels will inevitably bring with it a tremendous increase in the subsidy payout to farmers.

In addition to the departmental cost estimate as set forth in the Committee Report, we would point out that in the years ahead the forestry incentives program as set forth in the proposed new Title X is bound to grow well beyond its "pilot" program level of \$25 million. More than likely it will approach \$100 million annually within the life of this legislation and will reach an easily envisioned expenditure total of \$1 billion over the next decade.

Finally we submit the following table prepared by the U.S. Department of Agriculture which shows the estimated difference in public expenditures between H.R. 8860 and the administration's proposal for target price levels:

TABLE 1.—ESTIMATED PAYMENT COSTS UNDER H.R. 8860 AND USDA PROPOSAL

[In millions of dollars]

	1974	1975	1976	1977	4-year total
Wheat:					
H.R. 8860	812	963	1,049	1,162	3,986
USDA	434	578	647	733	2,392
Difference	378	385	402	429	1,594
Feed grains:					
H.R. 8860	520	605	814	846	2,785
USDA					
Difference	520	605	814	846	2,785
Cotton:					
H.R. 8860	460	475	575	640	2,150
USDA	355	270	340	380	1,245
Difference	205	205	235	260	905
Dairy (acquisition costs):					
H.R. 8860	106	233	302	391	1,092
USDA	112	141	155	163	571
Difference	34	92	147	228	521
4 programs:					
H.R. 8860	1,915	2,276	2,740	3,039	10,013
USDA	891	989	1,142	1,276	4,208
Difference	1,157	1,287	1,598	1,763	5,805

Source: USDA, ASCS.

C. What it does to farmers

This bill has a "Lorelei-like" appeal to farmers. It sounds so simple to say "if prices stay up, there will be no subsidy; if they go down, the government will make up the difference between 'what you get' and what the government says 'you ought to get.'"

It's a funny thing that such a simple formula hasn't been tried before, isn't it?

But it has!

It's in effect now on wool and sugar (both deficit crops).

It was proposed in the late 1940's by former Secretary Brannan, but for a variety of reasons it was rejected. Some of those reasons are still valid today, and here are six of them:

1. It will be too expensive. For example, for each penny that wheat drops in price, the taxpayers will be forced to dig into their pockets for approximately \$15 million. And what of other crops? Once started on grain and cotton, what reason will there be to deny a "target price" minimum guarantee for other crops?

2. This huge increase in farm income guarantees will invariably show up in greatly increased capital costs in farm land in the years ahead. Farm allotments and bases for cotton, grain, and milk will be even more valuable than at present, and new producers seeking to start farming will have to pay for these government-created "rights" as they would for any other capital investment.

3. It will build a very rigid set of higher production costs for agriculture. With a guaranteed minimum price and gross concept—all feed, fertilizer, equipment, interest, and labor costs can be expected to go upward very quickly and become frozen, and soon our farmers'

TABLE 9.—PERCENTAGES OF PRODUCERS VERSUS TOTAL PRODUCTION AFFECTED BY A \$10,000 LIMITATION

Program	Producer (percent)	Total production (percent)
Cotton.....	8.4	59.3
Feed grains.....	.6	9.4
Wheat.....	.8	15.5

WHAT HAPPENS IF THERE IS NO FARM BILL?

As has been noted in the Majority Report, a number of provisions of present law are due to expire in 1973.

These include the food stamp authorization (June 30, 1973) and Titles I and II of P.L. 83-480 (December 31, 1973), in addition to various provisions of the Agricultural Act of 1970. Without further legislative action, both the food stamp and P.L. 480 programs would cease to function. While we recognize and support extension of these two programs, it should be clearly understood that in the case of the various commodity programs, there are viable and in some cases much more acceptable programs that would be reinstated if there were no extensions this year.

A careful examination of the pre-1970 laws shows that for whatever disabilities they may possess, they are much more preferable and much less expensive than the proposals included in the Senate bill, the Committee bill, or for that matter the suggestions made by the Administration.

Here, then, is an examination of each of these provisions:

SUMMARY OF STATUTORY PROVISIONS EFFECTIVE ON EXPIRATION OF AGRICULTURAL ACT OF 1970

The authority granted by the Agricultural Act of 1970 (P.L. 91-524, 84 Stat. 1378, approved November 30, 1970), extends only to the 1971, 1972, and 1973 crops. The outline which follows summarizes the statutory authority which will be operative in the event no Congressional action is taken to continue the provisions of the Agricultural Act of 1970 in effect beyond the 1973 crop of the commodities mentioned in the Act.

WHEAT

Under existing permanent legislation, Section 333 of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1333) the Secretary is required to proclaim a national acreage allotment for wheat. The allotment is to be apportioned in the manner provided in that Act. In addition, under Section 332 of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1332) the Secretary of Agriculture must determine prior to April 15 whether to proclaim a national marketing quota for wheat. If a national marketing quota for wheat is proclaimed by the Secretary, a referendum must be conducted among farmers to determine whether they favor or oppose marketing quotas for the year or years for which they have been proclaimed. Section 336 of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1336).

If wheat marketing quotas are proclaimed and approved by two-thirds or more of the farmers voting in the referendum, such quotas

SOY BEANS—COTTONSEED

~~Under the provisions of Section 203 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446d) if either cottonseed or soy beans is supported under that Act then the price of the other "shall be supported at such level as the Secretary determines will cause them to compete on equal terms on the market." This legislation—suspended for the 1971 through 1973 crops of cottonseed and soy beans—would again be effective if new legislation is not adopted.~~

BUTTERFAT

If no new legislation is enacted, mandatory price support for butterfat and the products of butterfat would again become effective. Under the provisions of Section 201(c) of the Agriculture Act of 1949, as amended, after March 31, 1974, (the end of the 1973-74 marketing year) the price of whole milk, butterfat and the products of such commodities "shall be supported at such level not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply." (7 U.S.C. 1446 note.) Mandatory price support for butterfat and the products of butterfat was suspended by the Agricultural Act of 1970.

OTHER LEGISLATIVE AUTHORITY WHICH WILL EXPIRE

In addition to the foregoing provisions of law which will be in effect if no new legislation is enacted, a number of other authorities covered by the Agricultural Act of 1970 are scheduled to expire in 1973. These are:

MILK

Authority to transfer dairy products to military and veterans hospitals now available under the provisions of Section 202 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446a) will expire December 31, 1973. The dairy indemnity program conducted under Public Law 90-484, 82 Stat. 750 (7 U.S.C. 450j) will end June 30, 1973.

The dairy base plan provisions contained in the Agricultural Act of 1970 (7 U.S.C. 608c note) also terminate December 31, 1973, except for class 1 base plans issued prior to that date, but in no event shall any order issued extend or be effective beyond December 31, 1976.

WOOL INCLUDING MOHAIR

~~Unless the National Wool Act of 1974 (7 U.S.C. 1782 *et seq.*) is extended, mandatory price support for wool and mohair, and the authority to provide price support through payments, will expire on December 31, 1973. Thereafter, price support for wool would be discretionary with the Secretary under Section 301 of the Agricultural Act of 1949, as amended (7 U.S.C. 1447), and if price support is made available it would have to be through loans or purchases; payments could not be utilized.~~

MISCELLANEOUS PROGRAMS

~~Other programs also due to expire on December 31, 1973, in the absence of new legislation are the Beekeepers Indemnity Program,~~

~~(7 U.S.C. 135b note), and the Crop Land Conversion Program (16 U.S.C. 590p(e)).~~

FOOD STAMPS AND STRIKERS

During the course of the consideration of this bill the Committee rejected on three separate occasions an amendment to prohibit, under certain carefully specified conditions, food stamp assistance to strikers. This amendment was never voted upon directly, but through various procedural tactics it was turned down by a 5-4 vote in Subcommittee and by two 18-17 votes in full Committee. At one point it was tentatively approved by the full Committee by a 19-8 vote, but a point of order that a quorum was not present was sustained.

We recite these instances to illustrate the obvious concession that the Committee has made to organized labor for their support for this farm bill.

We feel that the issues involved in both the farm bill and in food stamps for strikers should stand on their own merits and not be interrelated to each other. Thus, we intend to support on the Floor further efforts to amend the food stamp program by preventing the continued abuse of the food stamp program by using it as a vehicle for reconciling labor disputes in this country.

THE ALTERNATIVE

Although this bill is so defective that it seems nearly impossible to perfect it, we feel that several important amendments should be adopted if it is to be balanced with any reasonable degree of public benefit.

These amendments include:

- ~~1. A meaningful payment limitation devoid of crippling loopholes;~~
- ~~2. The deletion of the dairy provisions which extend the inflationary Class I base plan, raise price supports, and establish a preferential dairy licensing system on imports;~~
- ~~3. The lowering of the guaranteed minimum (i.e. "target" prices) to more reasonable levels;~~
- ~~4. The deletion of the proposed new tree subsidy program for private land owners;~~
- ~~5. The inclusion of a ban on food stamps for strikers; and~~
- ~~6. The elimination of backdoor spending programs for cotton research and insect control.~~

SUMMARY

This bill should be rejected. Its defeat and interment would not mark the demise of most farm programs even if no further legislative action were to occur. Instead, its defeat would merely postpone for a brief and tolerable time the development of a more reasonable, a more rational, and a more responsible farm program to serve the national interest of all Americans.

CHARLES M. TEAGUE.
GEORGE A. GOODLING.
PAUL FINDLEY.
LA MAR BAKER.

ADDITIONAL OPPOSING VIEWS OF REPRESENTATIVE PAUL FINDLEY

In addition to concurring in the Minority Views set forth elsewhere in this report, I add these comments:

THE EXPECTED SCENARIO ON PAYMENT LIMITS

When this bill reaches the House floor, amendments will be offered giving Members a choice between a \$20,000 limit on payments to farmers that works and one that does not.

In 1970 Congress was taken in by a hoax: The \$55,000 limit had appearance but no substance.

A clever loophole permitted cotton allotments to be separated from land and leased or sold. This permitted wholesale evasion of the limit. In fact, it was deliberately put in the bill for that purpose.

The loophole was so big that the limit had negligible effect on aggregate program costs. The right to grow cotton was subdivided through lease and sale of allotments. Instead of annual program-cost reduction of \$35 million, as expected, the actual reduction was only about \$2 million.

Will Congress be hoodwinked again? The scenario is well-planned to that end.

Here's how it will probably go.

Step 1. The House will take up the Payment Limit Section. It provides a limit at \$37,500 per commodity but excludes "resource adjustment" payments.

Step 2. I will offer a substitute which will reduce the payment limit to \$20,000 per farmer and close loopholes.

Step 3. Somebody will offer an amendment to my substitute using the identical payment limit language approved by the House and changing the limit from \$37,500 to \$20,000.

Step 4. The amendment to my substitute will prevail. At least, that's the way the scenario is written.

The change from \$20,000 per farmer (in my substitute) to \$20,000 per commodity with "resource adjustment" payments excluded from the limitation (House Committee version) will appeal to many Members as a modest and reasonable compromise. The vote on the amendment will come before the vote on my substitute. To uninformed Members who come rushing in just in time to punch the computer, the issue will seem simple and innocent.

Step 4 will be thwarted only if enough Members want a payment limit that really works—and if they recognize the clever scenario outlined above for what it is: one more shrewd scheme by cotton interests to keep taxpayers financing big payments to wealthy farmers. I call it welfare for the wealthy.

What is so bad about the House Committee payment limit version, if the \$37,500 is changed to \$20,000?

(203)

LEGISLATING HIGHER CONSUMER PRICES FOR DAIRY PRODUCTS

The dairy section boosts the price support minimum to 80 percent of parity and would thus force on consumers an increase of at least 5 percent in milk and other dairy products.

It gives giant dairy cooperatives—already muscle-bound and arrogant—still greater power.

Unbelievably, it permits U.S. producers and processors to control dairy imports. It's like giving General Motors the power to control imports of Volkswagens.

Present law should be left without change.

PUBLIC LAW 480 SHOULD BE AMENDED

The label, "Food for Peace," has kept this program highly popular.

In reality, it differs little from the widely-criticized Foreign Assistance Program. Even the so-called dollar credit sales under P.L. 480 are actually foreign aid. Terms can go as low as 2 percent interest with 40 years to pay. These terms, of course, are nothing more than foreign aid in capital letters. Aid should be discernible, not concealed in heavy subsidy of interest rates.

Proceeds from local currency sales for the most part go eventually to finance local military operations. Instead of "Food for Peace" it could appropriately be relabeled "Food for War."

I favor prohibiting the use of these proceeds for military purposes and fixing a 5 percent minimum interest on dollar credit sales.

MORE FOR COTTON, INCORPORATED

The bill authorized \$10 million annually (through the Commodity Credit Corporation's backdoor) to Cotton, Inc. for advertising and possibly research.

This is a first. Never before has the House Committee on Agriculture had the cotton-picking nerve to recommend that general tax revenues be used to finance advertising for a particular commodity—although, thanks to Senate-House conference committee mischief in 1970, \$20 million was handed over to Cotton, Inc. in the past two years. If Congress is willing to make taxpayers finance advertising for cotton, why not for cotton competitors—wool, synthetics?

This section should be deleted.

PAUL FINDLEY.



Union Calendar No. 159

93D CONGRESS
1ST SESSION

H. R. 8860

[Report No. 93-337]

IN THE HOUSE OF REPRESENTATIVES

JUNE 20, 1973

Mr. POAGE (for himself, Mr. ALEXANDER, Mr. BERGLAND, Mr. BOWEN, Mr. BROWN of California, Mr. DE LA GARZA, Mr. DENHOLM, Mr. FOLEY, Mr. GUNTER, Mr. JOHNSON of Colorado, Mr. JONES of Tennessee, Mr. JONES of North Carolina, Mr. LITTON, Mr. MATTHIAS of California, Mr. MATTHIAS of Georgia, Mr. MATSUNAGA, Mr. MELCHER, Mr. RARICK, Mr. ROSE, Mr. SISK, Mr. STUBBLEFIELD, Mr. THOME, Mr. VIGORITO, Mr. YOUNG of South Carolina, and Mr. ZWACH) introduced the following bill; which was referred to the Committee on Agriculture

JUNE 27, 1973

Committed to the Committee of the Whole House on the State of the Union
and ordered to be printed

A BILL

To extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled*
3 *That the Agricultural Act of 1970 is amended as follows:*

Payment Limitation

~~(1) Section 101 is amended by—~~

(A) amending subsection (1), effective beginning with the 1974 crop, to read as follows:

1 “(1) The total amount of payments which a person
2 shall be entitled to receive under each of the annual pro-
3 grams established by titles IV, V, and VI of this Act for
4 the 1974 through 1977 crops of the commodities shall
5 not exceed \$37,500.”

6 (B) amending subsection (2) effective begin-
7 ning with the 1974 crop, to read as follows:

8 “(2) The term ‘payments’ as used in this section
9 shall not include loans or purchases, or any part of any
10 payment which is determined by the Secretary to repre-
11 sent compensation for resource adjustment or public
12 access for recreation.”

DAIRY PROGRAM

Milk Marketing Orders

15 (2) Section 201 is amended by—

16 (A) amending section 201 (e) by striking out
17 “1973” and inserting “1977”, and by striking out
18 “1976” and inserting “1980”, and

19 (B) adding at the end thereof the following:

20 “(f) The Agricultural Adjustment Act as reenacted
21 and amended by the Agricultural Marketing Agreement Act
22 of 1937, as amended, is further amended by:

23 “(1) striking the period at the end of subsection
24 8c (17) and adding in lieu thereof the following: ‘: Pro-
25 vided further, That if one-third or more of the produc-

1 ers as defined in a milk order apply in writing for a
2 hearing on a proposed amendment of such order, the
3 Secretary shall call such a hearing if the proposed amend-
4 ment is one that may legally be made to such order. Sub-
5 section (12) of this section shall not be construed to
6 permit any cooperative to act for its members in an appli-
7 cation for a hearing under the foregoing proviso and
8 nothing in such proviso shall be construed to preclude the
9 Secretary from calling an amendment hearing as pro-
10 vided in subsection (3) of this section. The Secretary
11 shall not be required to call a hearing on any proposed
12 amendment to an order in response to an application for
13 a hearing on such proposed amendment if the application
14 requesting the hearing is received by the Secretary within
15 ninety days after the date on which the Secretary has
16 announced his decision on a previously proposed amend-
17 ment to such order and the two proposed amendments
18 are essentially the same.'

19 “(2) inserting after the phrase ‘pure and whole-
20 some milk’ in section 8c (18) the phrase ‘to meet current
21 needs and further to assure a level of farm income ade-
22 quate to maintain productive capacity sufficient to meet
23 anticipated future needs’.”

24 **Milk Price Support, Butterfat Price Support Suspension**

25 (3) Section 202 is amended by—

1 (A) striking the introductory clause which precedes
2 subsection (a);

10 (C) inserting in subsection (b) in the first sentence
11 "80 per centum" in lieu of "75 per centum".

Veterans Hospitals

13 (4) Section 203 is amended by striking out "1973" and
14 inserting "1977".

Dairy Indemnity Program

16 (5) Section 204 is amended by—

17 (A) striking out "1973" and inserting "1977"; and

18 (B) striking subsection (b) and substituting there-
19 for the following:

20. " (b) Section 1 of said Act is amended to read as follows:

21 "SECTION 1. The Secretary of Agriculture is authorized
22 to make indemnity payments for milk or cows producing such
23 milk at a fair market value, to dairy farmers who have been
24 directed since January 1, 1964 (but only since the date of
25 enactment of the Agriculture and Consumer Protection Act

1 of 1973 in the case of indemnity payments not authorized
2 prior to such date of enactment), to remove their milk, and to
3 indemnity payments for dairy products at fair market value to
4 manufacturers of dairy products who have been directed since
5 the date of enactment of the Agricultural Act of 1970 to
6 remove their dairy products from commercial markets be-
7 cause of residues of chemicals registered and approved for use
8 by the Federal Government at the time of such use. Any
9 indemnity payment to any farmer shall continue until he
10 has been reinstated and is again allowed to dispose of his
11 milk on commercial markets.''

12 (6) Title II is amended by adding at the end thereof
13 the following:

14 **“Dairy Import Licenses**

15 “SEC. 205. Section 22 of the Agricultural Adjustment
16 Act (7 U.S.C. 624) is amended by adding at the end thereof
17 the following:

18 ““(g) The President is authorized to provide that dairy
19 products may be imported only by or for the account of a
20 person or firm to whom a license has been issued by the
21 Secretary of Agriculture. In issuing a license for dairy prod-
22 ucts not currently being imported but sought to be imported
23 under this section during any period after the enactment of
24 the Agriculture and Consumer Protection Act of 1973, the
25 Secretary shall make licenses available for a thirty-day period

1 before issuing licenses to other applicants to domestic pro-
2 ducers and processors who agree to import such dairy prod-
3 ucts. For purposes of this subsection, dairy products include
4 (1) all forms of milk and dairy products, butterfat, milk
5 solids-not-fat, and any combination or mixture thereof; (2)
6 any article, compound, or mixture containing 5 per centum
7 or more of butterfat, or milk solids-not-fat, or any combina-
8 tions of the two; and (3) casein, caseinates, lactose, and other
9 derivatives of milk, butterfat, or milk solids-not-fat, if im-
10 ported commercially for any food use. Dairy products do not
11 include (1) industrial casein, industrial caseinates, or any
12 other industrial products, not to be used in any form for any
13 food use, or an ingredient of food; or (2) articles not norm-
14 ally considered to be dairy products, such as candy, bakery
15 goods, and other similar articles: *Provided*, That dairy prod-
16 ucts in any form, in any such article are not commercially
17 extractable or capable of being used commercially as a
18 replacement or substitute for such ingredients in the manu-
19 facture of any food product.'

20 **"PRODUCER HANDLERS"**

21 "SEC. 206. The legal status of producer handlers of
22 milk under the provisions of the Agricultural Adjustment
23 Act, as reenacted and amended by the Agricultural Mark-
24 eting Agreement Act of 1937, as amended, shall be the
25 same subsequent to the adoption of the amendments made

1 by the Agriculture and Consumer Protection Act of 1973
2 as it was prior thereto."

WOOL PROGRAM

4 (7) Section 301 is amended by—
5 (A) striking out “1973” each place it occurs and
6 inserting “1977”, and by striking out the word “three”
7 each place it occurs; and
8 (B) adding at the end thereof the following:
9 “(6) Strike out the first sentence of section 708 and
10 insert the following: ‘The Secretary of Agriculture is au-
11 thorized to enter into agreements with, or to approve agree-
12 ments entered into between, marketing cooperatives, trade
13 associations, or others engaged or whose members are
14 engaged in the handling of wool, mohair, sheep, or goats or
15 the products thereof for the purpose of developing and con-
16 ducting on a national, State, or regional basis advertising and
17 sales promotion programs and programs for the development
18 and dissemination of information on product quality, produc-
19 tion management, and marketing improvement, for wool,
20 mohair, sheep, or goats or the products thereof. Advertising
21 and sales promotion programs may be conducted outside of
22 the United States for the purpose of maintaining and expand-
23 ing foreign markets and uses for mohair or goats or the
24 products thereof produced in the United States.’”

~~1 ning with the fiscal year for which funds are first appro-~~
~~2 priated and obligated by the Secretary of Agriculture carry-~~
~~3 ing out this title."~~

4 SEC. 7. This Act may be cited as the "Agriculture and
5 Consumer Protection Act of 1973".

HOUSE BEGAN DEBATE

ON

H.R. 8860

July 10, 1973

July 10, 1973

tion shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 8860, the Committee on Agriculture shall be discharged from the further consideration of the bill S. 1888, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and inserts in lieu thereof the provisions contained in H.R. 8860 as passed by the House.

THE SPEAKER. The gentleman from California (Mr. SISK) is recognized for 1 hour.

MR. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA) pending which I yield myself such time as I may consume.

Mr. Speaker, as the reading of the resolution makes clear, it provides for an open rule with 2 hours of general debate on H.R. 8860. There are no waivers of points of order in connection with the legislation.

Mr. Speaker, this is a bill to extend and amend the Agricultural Act of 1970 for 4 years. House resolution 478 also provides that it shall be in order in the House, after the passage of the bill, to move to strike out all after the enacting clause of the bill S. 1888 and insert in lieu thereof the provisions contained in the House bill.

Mr. Speaker, H.R. 8860 lowers the maximum payment from \$55,000 per crop to \$37,500 per crop. It also sets the following target prices for 1974 crops:

Wheat—\$2.05 per bushel;

Feed grains—\$1.38 per bushel; and

Cotton—\$.38 per pound.

The bill also extends the food stamp program for 4 years through June 30, 1977.

It also further extends Public Law 480. There are certain other provisions dealing with the basic commodities. This is, of course, the basic farm legislation under which we have been operating, the so-called 1970 act. It is an extension of that act with major modifications.

Let me say, Mr. Speaker, that this is a complete change in direction, actually, since there are no minimum guarantee payments or subsidy payments to producers. The intent of the legislation is to tie commodities to the market place. It simply sets a target on the three basic commodities.

Of course, at the present time, considering the prices at which these commodities are selling, substantially above those target prices, therefore today there would be no payments of any kind if this bill were in effect. According to projections it is doubtful there would be any payments under these provisions in 1974, and very unlikely even in 1975.

I believe it is a move in the right direction, again getting back to the market place and giving to the farmers an opportunity to grow with greater freedom and to depend upon the market place and the law of supply and demand to determine the income of the American farmers and, of course, basically to build a foundation which will give some assurance that is so necessary if we are to continue to produce the food and fiber so desperately needed in this country at this time.

With that, Mr. Speaker, I urge the adoption of House Resolution 478 and reserve the remainder of my time.

(Mr. LATTA asked and was given permission to revise and extend his remarks.)

MR. LATTA. Mr. Speaker, I agree with the statement just made by my friend from California (Mr. SISK). This is a noncontroversial rule.

Mr. Speaker, House Resolution 478 provides for the consideration of H.R. 8860, the Agriculture and Consumer Protection Act of 1973. This is an open rule with 2 hours of general debate. The rule also makes it in order to insert the House-passed language in the Senate bill, S. 1888.

The primary purpose of H.R. 8860 is to extend and modify the Agricultural Act of 1970.

Of the many provisions in this bill, a few of the most notable are the following:

First. Payment limitation which applies to the 1974 through 1977 crop of wheat, feed grains, and cotton. This bill lowers the existing \$55,000 payment limitation to \$37,500, but excludes compensation for resource adjustment and public access for recreation purposes from the definition of payments.

Second. Extension of titles I and II of Public Law 480 for 4 years. The bill prohibits Public Law 480 assistance of any kind of North Vietnam unless assistance is subsequently authorized by Congress.

Third. Extension of food stamp program authorization for 4 years. The bill maintains eligibility for food stamps of persons receiving public assistance under title XVI of the Social Security Act if they satisfy the eligibility criteria in the Food Stamp Act. In addition the bill authorizes a new program making persons in approved drug rehabilitation and alcoholic treatment centers eligible for food stamps.

Mr. Speaker, I urge the adoption of House Resolution 478 in order that the House may begin debate on H.R. 8860.

Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. TEAGUE).

MR. TEAGUE of California. Mr. Speaker, I have no fault to find with the rule, and I do not oppose it.

I cannot let this opportunity go by, however, without differing with my friend from California (Mr. SISK), as to his use of the words "target prices." These are guaranteed prices; they are not target prices.

I have a word of unsolicited advice to offer to my colleagues. We are going to be dealing this afternoon with a real Christmas tree. It is laden with tinsel and electric lights and candles and packages done up in red and green ribbon, with envelopes stuffed with millions and hundreds of millions of dollars, and even more important, post-dated checks worth several billions of dollars.

Nevertheless, I have reason to believe the administration will accept this bill although I will not vote for it. I believe it will be acceptable to the administration if it is passed by the House, as I assume it will be, because I believe the

tracks have been greased, without additions to it. The Senate version of the same bill was totally unacceptable to the administration.

So my advice to those of my colleagues who really want a farm bill is not to add more sweeteners, more sugar, more gifts on the Christmas tree, because if they do the whole darned thing will break down.

MR. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

MR. WYDLER. Mr. Speaker, I make the point of order that a quorum is not present.

THE SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 324]		
Arends	Ford	Nelson
Ashley	William D.	Nix
Badillo	Frenzel	Pepper
Blaggi	Frey	Pettis
Bingham	Geitys	Pike
Blackburn	Giamo	Powell, Ohio
Blatnik	Gray	Rangel
Buchanan	Green, Oreg.	Rees
Carey, N.Y.	Green, Pa.	Reid
Carter	Griffiths	Robison, N.Y.
Cederberg	Hansen, Wash.	Roe
Chisholm	Hawkins	Rosenthal
Clark	Hébert	Sandman
Cronin	Heinzl	Slack
Danielson	Jones, Okla.	Stephens
Dorn	Kuykendall	Teague, Tex.
Dulski	McFall	Vander Jagt
Eckhardt	Mailliard	Ware
Esch	Metcalfe	Whitten
Fascell	Mitchell, N.Y.	Zablocki
Fisher	Moorhead, Pa.	
Flood	Morgan	

THE SPEAKER. On this rollcall 370 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AGRICULTURE AND CONSUMER PROTECTION ACT OF 1973

MR. POAGE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8860) to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices.

THE SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 8860, with Mr. NATCHER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

My faith in the program has been rewarded time and time again.

Therefore, I heartily endorse the Forest incentives provisions of H.R. 8860 and urge your support. This is the primary unfulfilled need in the field of forestry legislation.

Mr. POAGE. Mr. Chairman, I yield 8 minutes to the gentleman from Tennessee (Mr. JONES).

(Mr. JONES of Tennessee asked and was given permission to revise and extend his remarks.)

Mr. JONES of Tennessee. Mr. Chairman, distinguished Members of Congress, each day when we are in session I come over here and cast my votes on issues about which I have no particular expertise. Granted, I do as much homework as I can, and I always know how my constituents feel, but frankly I do not claim to be an expert on atomic energy, foreign trade, or urban development. On these subjects, I try to listen closely to those of you who are knowledgeable in these areas.

I do not often belabor this body with my thoughts and opinions. Today, however, is my turn. While I cannot claim to be the master of all disciplines, I do know a little about agriculture. It has been my lifelong profession—and I have operated under every farm program since their beginning. My experience in agriculture and my evaluation of the current situation led me to the conclusion that this country has rarely needed a strong farm program more than it does today. Notice that I said that the country needs a farm program; that doesn't mean just farmers either. It means all of our citizens, all of our constituents, yours and mine.

In the past several weeks, we have all seen news reports in the press and on TV about impending food shortages. Many people were shocked, but most agricultural leaders have seen this coming for some time. There is little doubt that our current short supplies will be even shorter next year.

Several legitimate reasons have been given for the short supplies. No doubt, demand for protein feeds, soybeans, and cotton seeds has been given a boost by the lack of anchovies to make into fish meal. Food production was off in many parts of the world last year, while at the same time consumer income was up and people wanted to eat better. U.S. food prices have been driven up by the President's agricultural trade initiatives.

But let us look for a moment at prospects for the next several months and prospects for this fall's harvest. As the month of June ended broiler growers in 21 States had 5-percent fewer chicks than a year ago. The production of broiler-type eggs was 8 percent below the 1972 level.

The commodity which has given us the most trouble this year, soybeans, has a less than optimistic outlook for next year. For the week ending July 2, Tennessee farmers had only planted about 85 percent of their soybeans. This is basically due to the floods we experienced this spring but a similar situation exists throughout the Mississippi River Valley. And any Tennessee farmer can tell you

that soybeans planted after July 4 are very risky.

This same flood is responsible for the cotton crop's being at least 2 or 3 weeks later than usual. An early frost this fall could have a disastrous effect on next year's supply of cotton fiber and cottonseed meal, a much used protein feed.

Milk production is 2 percent below last year. Dairy farmers are selling their milk cows because their cost of production is higher than the price they receive for milk.

I have noticed recently an interesting trend in the rhetoric of the Nation's consumer advocates. For months we heard complaints about high food prices, we had boycotts, and it seemed as if farmers were always being displayed as villains. However, today we do not hear this so much. People realize that we are faced with serious food shortages. They are realizing that unless farmers are allowed to make a decent living—that they will not continue to produce food. Consumers are realizing that as wages go up, prices must go up also, including the price of food.

However, the real price U.S. consumers pay for food is still very low. In 1965 workers were averaging \$2.61 per hour, it took 10.9 minutes of labor to earn enough to buy a half-gallon of whole milk. In 1972, workers were averaging \$3.78 per hour and it required only 9.5 minutes of labor to buy a half-gallon of milk. In March of this year the labor requirement had dropped to 9.3 minutes. The real price of milk is falling and has been for the last 20 years. Let me mention here that my figures come from the University of Tennessee and not the Department of Agriculture.

USDA's figures have fallen into dispute lately. They have had to make significant revisions on their estimates of existing food supplies, and it seems they now require farmers' income tax returns to tell us things we thought they had been telling us all along.

One figure that has been controversial is their estimate of the amount of disposable income Americans spend on food. USDA's figure is in the 16 percent range, and many people quarrel with this.

However, other institutions have conducted costs of food studies and while the figures vary the United States is always listed as having about the cheapest food relative to consumer income. One study was reported in the July 1973 issue of Harper's magazine. This study was conducted by the International Labor Office in Geneva, Switzerland. It gives the percentage of household expenditures used for food and drink. The U.S. percentage was listed as 24.1 and was the lowest of the 22 countries listed. Morocco had the highest at 70.6 percent. Western Europeans all spend more for food than Americans such as 46.2 percent in France, 38.2 in Germany, 57.1 percent in Spain, and 33 percent in England.

It is a fact that we are not as bad off as some would have you believe. I am proud to report that the Consumer Federation is supporting this bill. This group testified before my Dairy and Poultry Subcommittee and I am awfully glad that farm groups and consumer groups

are developing lines of communication. It is about time that both farmers and consumers realize that their interests are not necessarily in conflict.

This bill before us today is a compromise version already. Many people wanted to extend the traditional farm program concepts. The administration and others wanted to get the Government completely out of agriculture. This bill attempts to strike a balance between philosophies. Under the target price concept, farmers will be getting more of their pay out of the marketplace rather than out of the Government budget. However, it also provides a Government backup in case the bottom falls out of the market. This is basically fair to all involved.

I will probably have more detailed remarks later on in the various sections of the bill. But before I close I want to commend my friend and colleague, the distinguished Representative from Texas—Chairman BOB POAGE.

When I came to Congress I thought I was fairly knowledgeable in agricultural matters. But, Chairman POAGE's knowledge of agriculture has made me feel like a student again. He discusses complete details off the top of his head and does not have to refer to the law books. His knowledge is only superseded by his leadership abilities. He takes the job representing American citizens seriously and his dedication is recognized and respected. Respect is a basic ingredient of leadership and Chairman POAGE ranks high as a leader.

During the committee debate on this bill the chairman came under many pressures. His legislative skills were put to the test and he won. He displayed both strong leadership and tremendous flexibility. Compromises were called for. The chairman studied both sides and came up with rational and logical solutions. We are indebted to this man and I just want him to know that we appreciate his efforts.

The CHAIRMAN. The doormen will establish order in the galleries.

The Chair would again like to admonish those in the gallery that they are guests of the House and they must comply with the orders of the House and the rules of the House.

Mr. TEAGUE of California. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. FINDLEY).

(Mr. FINDLEY asked and was given permission to revise and extend his remarks.)

Mr. FINDLEY. Mr. Chairman, first of all, I would like to direct a question to our very able chairman of the committee, the gentleman from Texas (Mr. POAGE).

I was wondering if the chairman of the committee would respond to this question: The first section of the bill encompasses about 50 pages, so if we read it by section, it could be quite a disorderly procedure as we consider amendments from one commodity to another.

Will the gentleman, therefore, agree that the bill be read by paragraph instead of by section?

Mr. POAGE. Mr. Chairman, I think

that I would have to object to that, because I understand that the rule then would provide that we could never get consent to limit debate. That is exactly what I had hoped we could do, but I understand our rules are such that we would run into other problems.

Mr. FINDLEY. Mr. Chairman, I thank the gentleman. I regret that very much. I wish that the Committee on Rules had made in order the reading by paragraph instead of by section.

Mr. CHAIRMAN. It is my understanding that it is not likely that I will be the first Member to be recognized for an amendment. Instead another Member will offer an amendment to the payment limitation section simply reducing the figure from \$37,500 to \$20,000.

I want to point out to those Members who are here and who may not be here during the consideration of the amendment that such will not be much of a limitation. It will leave in the language of the bill not only the loopholes which have permitted Big Cotton so far to evade almost totally the \$55,000 limitation voted in 1970, but it also adds another big loophole in that dollars paid to farmers for not farming will not be counted in determining the money to be subject to the limitation. So I want the Members not to be fooled into thinking that by supporting the amendment simply to reduce the figure from \$37,500 to \$20,000, that simple change will actually amount to much in the way of a limitation.

Second, the unfortunate outburst that occurred a moment ago in the gallery does demonstrate that consumers do have an interest in this bill, and one part of the bill is the dairy section, which has two very unfortunate features. First of all, it raises the minimum level of price supports from the present level of 75 to 80 percent.

The market price may now be about 80 percent or more, but there is no question in any economist's mind but that the effect of increasing the minimum dairy support for dairy products, to 80 percent has the effect of lifting milk prices higher and other dairy products higher, too.

Mr. CHAIRMAN. There is another very novel feature in the dairy section which, I think, is a "first." I thought that I had seen just about everything in the form of clever farm legislation, but there is a new feature in dairy. It is there in order effectively to limit competition from abroad, which, of course, is one of the very few disciplines upon the giant dairy monopolies, one of the few things that tend to give the consumers a reasonable price for dairy products. That discipline is the possibility of imports.

The dairy section of this bill has a very novel provision which permits the producers and processors of dairy products here in this country to control the importation of dairy products from abroad.

This is just like letting General Motors Corp. or Ford be in charge of how many Volkswagens can be imported.

So consumers do have an interest here, and although the gallery outburst was unfortunate, it should remind consum-

ers to pay more attention to the work of the Committee on Agriculture.

Mr. RAILSBACK. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. Yes, I am glad to yield to the gentleman from Illinois.

Mr. RAILSBACK. Mr. Chairman, I thank the gentleman for yielding.

In respect to the comments which the gentleman has just made, one of the items that would be controlled by the domestic producers is a chemical called casein, and it is my understanding—I have some figures on it—that although at one time in this country we did produce casein, that is not the case now for all practical purposes.

There is not any domestic production; yet they still include casein as one of the defined dairy import products.

Mr. FINDLEY. Mr. Chairman, the amendment which I plan to offer will strike out this very novel and, I believe, ridiculous import control provision of dairy products, as well as keep the level of price supports where it is today, at 75 percent instead of going to 80 percent. This will correct the problem that the gentleman mentioned.

I want to mention, also, that once the payment limitation amendment is disposed of to change the figure from \$37,500 to \$20,000 I will offer an amendment at \$20,000 which will be without loopholes.

The CHAIRMAN. The time of the gentleman has expired.

Mr. TEAGUE of California. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. FINDLEY. I thank the gentleman very much. So, if you want to see written into this bill a limitation on payments that will work and actually reduce the program cost, and cut down on welfare to wealthy farmers, you will have that opportunity when I offer my amendment.

Mr. STEIGER of Wisconsin. Will the gentleman yield?

Mr. FINDLEY. I am glad to yield to the gentleman.

Mr. STEIGER of Wisconsin. I appreciate the gentleman yielding.

I assume you want to offer two amendments on the dairy section, one relating to the 75-80 question.

Mr. FINDLEY. I am glad to have them separated. I do not see why they should not be offered en bloc inasmuch as each serves the public interest in a similar way.

Mr. STEIGER of Wisconsin. Will the gentleman yield further?

Mr. FINDLEY. I yield to the gentleman.

Mr. STEIGER of Wisconsin. I have to respectfully disagree with your analysis of the effect of the 80 provision. I support the committee's action in that regard. I think it is the right answer.

I have questions about section 205 of the bill, I hope the gentleman from Illinois will be willing to separate the two issues, because I think they are different issues and ought to be treated on their own merits and not tied together.

Mr. FINDLEY. It would be most unfortunate if in this body we legislate

higher dairy prices whether by higher price supports or by shutting off imports.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Washington (Mr. FOLEY).

(Mr. FOLEY asked and was given permission to revise and extend his remarks.)

Mr. FOLEY. I know that the members of the committee who have had an opportunity to look at the bill and the report know as usual this agriculture bill is complicated and not easy to fully comprehend.

I want very briefly and in a very general way to discuss some of the changes in the wool, wheat, and feed grains programs that the Committee on Agriculture brings to the floor this afternoon.

The wool program, which has worked well since it was initiated in 1954, is continued in this program for another 4 years. There was no great controversy about this during the committee's consideration. It has the general support of the wool and mohair producers and industry in this country.

There is an additional section to the Wool Act which expands the market production authority of the National Wool Act to cover information dissemination and production management and marketing improvement and to provide for oversea promotion of U.S. mohair and goats. The United States exports a good part of its mohair production.

Now to turn to the wheat section of the bill, there are some major changes in the bill we bring before the committee this afternoon.

Under the 1970 amendments, wheat producers who cooperated in the program were given a payment in the form of a wheat certificate which represented the difference between average market prices during the 5 months of the marketing year and parity. That was on the domestic portion of the crop, that is, the portion of the crop estimated to be needed for domestic food purposes or about one-third of the average crop.

To give you an example, today parity in wheat is \$3.39 a bushel. Under the present program farmers are paid the difference between their average market prices on that third of the crop during the 5 first months of the marketing year and parity which is \$3.39.

In recent months wheat prices have strengthened remarkably.

They are on the average about \$2.50 today.

But it might be interesting to know that in 1947 wheat was selling for about this price. We had in the 1960's, particularly in the middle 1960's, a depressed wheat price. It is stronger now. The committee felt that a more appropriate method of giving some protection to farmers was to set a target price on wheat which would cover the whole crop.

The House committee set that target price at \$2.05 a bushel.

The gentleman from Iowa (Mr. MAYNE) has ably discussed the valid provisions in the feed grain program, and I will not go over those again, except to repeat that the target price on corn would be \$1.38 a bushel. Again, current prices are higher than that.

whelming majority will join me in support of H.R. 8860, the Agriculture and Consumer Protection Act of 1973.

Mr. POAGE. Mr. Chairman, I yield 2 minutes to the gentlewoman from Missouri (Mrs. SULLIVAN).

(Mrs. SULLIVAN asked and was given permission to revise and extend her remarks.)

Mrs. SULLIVAN. Mr. Chairman, I rise to ask the distinguished chairman of the Committee on Agriculture a question or two.

I am curious to know, Mr. Chairman, where I can find in this bill—and it is a very thick bill—anything whatsoever, just a word, a phrase, a section, or a sentence, which would bear out the title of this measure as the "Agriculture and Consumer Protection Act of 1973."

Granted that anything in the bill which contributes to the production of more food would ultimately benefit consumers, if price supports are not too high, what is there in the legislation which constitutes the "Consumer Protection Act?"

Mr. POAGE. Mr. Chairman, the entire bill is predicated upon providing a program that would enable farmers to produce the food and the fiber that American consumers need. We are not under the present situation producing it.

We are drowning thousands of chickens in my part of the country; they will never come on the table. They are sending thousands of dairy cows to market these days. They will never produce milk and you will never get any milk in St. Louis or anywhere else from them.

We are providing a program here that will enable producers to feed those chickens and we are providing a program to keep those cows producing milk and getting the milk on the table. It comes from somebody's farm who produces these things, and they will not and cannot produce them if they have a level of prices such as we have today which is below the cost of production. We believe we are doing more for consumers than any legislation I have seen in this House.

Mrs. SULLIVAN. I thank the gentleman for his answer.

Perhaps the committee took its cue on this from the title of the annual appropriation bill, which contains funds for the Department of Agriculture, but I would point out to the gentleman that when that appropriations bill comes from the Whitten Subcommittee of the House Appropriations Committee it does in fact contain funds for many of the consumer protection agencies of the Government—the Federal Trade Commission, the Food and Drug Administration, the Product Safety Commission, and so on. Does not the bill now before us, suffer from violation of the truth in bill titles concept—just putting the words Consumer Protection Act in the title certainly does not provide any consumer protections that I can see. I hope to offer an amendment to delete Consumer Protection from the title of the bill.

Mr. TEAGUE of California. Will the gentlewoman yield?

Mrs. SULLIVAN. I yield to the gentleman.

Mr. TEAGUE of California. I thoroughly agree with the gentlewoman and comment further that in my opinion one reason for the drowning of little chickens and pigs and so forth is the very fact the farm programs we have had took feed grain acreage out of production and forced the price up so high that people cannot afford to buy feed grains to feed the little chickens and pigs.

Mrs. SULLIVAN. Mr. Chairman, I have one further question, dealing with the food stamp program. I think the Members who were here in 1959 or in 1964 when food stamp legislation was battled over so bitterly, getting it started as a national program after 10 long years of effort, know that it was like pulling teeth to get the Agriculture Committee to let the bill out. Today, everybody claims to be in support of the idea of feeding the hungry through food stamps. But the Agriculture Committee has never really believed in food stamps. Oh, the Chairman has always supported it, but very few other members of that committee did so over the years. Now, however, they want to administer it, deciding who can qualify down to the minutest detail. There were grievous blunders made in 1970 in enacting the most recent amendments, including the setting of national uniform standards of qualification, which treat the needy family in high cost New York or San Francisco in exactly the same way as the needy family in the rural reaches of the South.

Now you want to require the people to cash in their burial insurance in order to qualify for food stamps. I hold no brief for chiselers who get food stamps they are not entitled to—they should be prosecuted. But, in trying to cross every "t" and dot every "i" in the administration of the program, you are denying the State welfare departments any discretion whatsoever in deciding eligibility. This will not stop cheating; it will merely keep self-respecting needy people from participating if it means cashing in and spending the cash value of their burial insurance. To me that is cruel and unnecessary.

Mr. TEAGUE of California. Mr. Chairman, I yield 8 minutes to the gentleman from Pennsylvania (Mr. GOODLING).

(Mr. GOODLING asked and was given permission to revise and extend his remarks.)

Mr. GOODLING. Mr. Chairman, I think I should point out to the membership of this House that most actors lose their audience after they have had a chance to perform. My good friend from California lost his audience before he ever had a chance to open his mouth. That is some sort of a record, I think.

Mr. Chairman, today we consider the Agriculture and Consumer Protection Act of 1973. More appropriately, it should be called the Santa Claus Act of 1973 and should have been scheduled during the Christmas season, since there is something in it for everybody, everybody, that is, except the taxpayer.

This legislation is a hodgepodge of unrelated spending, certain to shock the millions of American taxpayers who have willingly and trustingly supported cur-

rent programs in the belief that agriculture was at long last turning away from Government subsidies to earn its own way in the commercial markets of the world.

We were headed for high ground—at least that is what some thought. Many hailed the bipartisan support for the Agricultural Act of 1970. They lauded farmers for making their own individual farm adjustments to gear up for meeting consumer demand. They recognized the cost involved in such transition and willingly supported part of that cost because it was helping farmers rely more on the marketplace for income and less on the Federal Treasury.

Farm income rose rapidly. Last year net farm income set an all-time record of \$19.2 billion. The Department of Agriculture is projecting at least \$22 billion in net farm income for this year.

Agriculture was a major contributor to our balance of payments, with exports of over \$11 billion in fiscal year 1973. Our agricultural policy contributed to this record.

Now, we are about to discard many of the gains we have made. While consumers cry out for relief from the high cost of living, H.R. 8860 would increase farm subsidies, reverse our direction and head us once more in the wrong direction—away from farmer independence and down the road toward increasing Government control of agriculture.

H.R. 8860 would establish target prices at high levels for wheat, feed grains, and cotton. It would permanently raise dairy support price to 80 percent of parity—a nebulous word difficult to define and an antiquated standard based on 1910-14 conditions. This would deny additional markets to our dairymen and tend to price nutritious dairy products out of the diets of people who need them most.

Now, let us talk for a moment about the cost of this proposed legislation.

Mr. Chairman, I am as bullish on America as anyone. As a farmer with 50 years experience, I am also a realist. We are not likely to have the high volume of farm export sales every year between now and 1977 that we enjoyed in fiscal year 1973.

I am optimistic about strong demand and good prices for farm production continuing this year, and I am certain there are market opportunities yet to be explored and expanded in the years ahead. But I am not willing to buy the idea that H.R. 8860 would not cost the taxpayers anything.

People who say the program would not cost money are so intent on the candy coating of current farm prices they ignore the possibility that inside that coating may be the bitter pill of lower prices as export demand slackens, world production increases, and foreign competition gets tougher. Let us be honest with the taxpayers and with ourselves and admit that we do not know what prices are going to be in 1974 through 1977. Crystal balls have a way of becoming cloudy.

The Department of Agriculture predicts that for 1974 the average price for wheat will be \$1.60 per bushel; for corn, \$1.30 per bushel; and for cotton, 30

cents per pound. These are all below the target prices proposed in H.R. 8860.

Based on these assumptions, the Department also estimates that for each cent below the \$2.05 target price on wheat, taxpayers would have to pay farmers \$18 million. For each cent below the \$1.38 target price on corn, taxpayers would pay farmers \$68 million. And for each cent below the 38-cent target price on cotton, taxpayers would pay farmers \$55 million.

Mr. TEAGUE of California. Mr. Chairman, would the gentleman yield?

Mr. GOODLING. I yield to the gentleman from California.

Mr. TEAGUE of California. Mr. Chairman, I would ask the gentleman from Pennsylvania to repeat what he has just stated so that each one of the Members will be sure to understand what the cost of this may be. I would ask the gentleman to repeat his last sentence about the cost as the prices go down one cent. I believe this is important for the Members to understand. If the gentleman from Pennsylvania needs additional time, I will yield additional time to the gentleman.

Mr. GOODLING. Mr. Chairman, to repeat what I just stated, based on these assumptions, the Department also estimates that for each cent below the \$2.05 target price on wheat, taxpayers would have to pay farmers \$18 million. For each cent below the \$1.38 target price on corn, taxpayers would pay farmers \$68 million. And for each cent below the 38-cent target price on cotton, taxpayers would pay farmers \$55 million.

Mr. TEAGUE of California. Mr. Chairman, I thank the gentleman.

Mr. GOODLING. Mr. Chairman, if these estimates are correct, the cost to taxpayers just for 1974 grains, cotton and dairy payments would be more than \$2 billion. That cost could escalate to \$3.4 billion by 1977, the final year of the programs. When you add the cost of other titles in the bill—such as the forestry incentive program, the rural environmental conservation program and food stamps—the price tag zooms from around \$3.4 billion for fiscal year 1974 to \$6.3 to 7.4 billion in fiscal year 1978.

Let us not be naive. This legislation carries a potentially large price tag.

That price tag worries me. A few days ago, the President took to the air waves to discuss by radio and television the strong, productive economy we enjoy in the United States. But he pointed the finger directly at inflation as our number one problem today, and most people agree on this.

I share the President's pride in our accomplishments. The U.S. Congress and the President together are responsible for the economic climate and the programs that have made our national progress possible. Industry also deserves its credit. We have the highest standard of living in the world. We are in a strong business boom. The average worker today is earning more than ever before. His income buys more today than it ever has in the past. We have created 4 1/2 million new civilian jobs in the past 2 years.

That climate now is threatened with

serious erosion due to inflation, the upward spiral in the cost of living, and reckless spending by the Congress.

This bill could contribute to that erosion. President Nixon has said:

If the Congress sends me a farm bill, or any other bill, that I consider inflationary, I shall veto such a bill.

The most searching examination of the many different kinds of payments to farmers authorized by H.R. 8860 shows its cost-increasing potentials.

Consider these items, for example:

Deficiency payments to make up the difference between the market price and the guaranteed price.

An escalator clause that would further increase the guaranteed price for each of the crop years: 1975, 1976 and 1977;

Payments based on total production of wheat, rather than just the percentage grown for U.S. consumption;

Increased support prices for milk;

Production payments for wool and mohair;

Indemnification to dairy farmers for pesticide-contaminated milk; also indemnification for cows destroyed because they ate pesticide;

First option to dairy producers and processors for dairy import licenses;

Payments to farmers for letting the public on farmland to hunt, fish, picnic, hike, et cetera;

Payments for protecting wildlife on the farm;

Payments to share the cost of conservation practices;

Cost sharing for farmers to help put a vegetative cover crop on set-aside land, for which the farmer is already getting a government payment;

Payments to farmers who can't plant because of natural disaster;

Payments to beekeepers for loss of bees due to pesticides;

Funds for complete eradication of diseases, pests and insects injurious to cotton. Let me add we do not eradicate but control insect pests and disease;

\$1 million for eradication of wheat diseases and pests; and

Loosened eligibility rules for use of food stamps.

Mr. Chairman, in a nation growing at the rate of about 2 1/2 million people a year—where 71 million, or 36 percent, live in urbanized areas of over 1 million people—we have to be concerned about national policies that may discourage production of food in response to people's needs.

Surely there is a better way to accomplish our goals than by putting farmers back into the strait-jacket from which they escaped with the Agricultural Act of 1970, and it, too, was not perfect.

Surely it is possible to devise a program that protects farmers from the wild swing of markets, yet lets them choose to produce for growing markets rather than for the Government. The Commodity Credit Corporation has had many bad dreams in the past in the surplus agricultural products it was required to purchase.

Surely American farmers, like other sectors of the economy, would rather have the risk—and the profit—that comes

from free enterprise agriculture, than to return to the security blanket of Government payments.

Mr. Chairman, this legislation is an inflationary jumble of costly Treasury outlays. It is not responsible, market-oriented farm legislation. I urge you to give serious thought to it before casting your vote.

It is important that every incentive be given to the States to include the cash value of food stamps in their supplementary payments to individuals under the supplemental security income program beginning January 1, 1974. The possibility that Congress may reinstate eligibility for food stamps and commodities for these individuals would have a detrimental effect on State decisionmaking currently taking place. Including the cash equivalent of the bonus value of food stamps in the SSI checks would benefit substantially greater numbers of recipients eligible under the adult assistance program. It would be consistent with the philosophy that older people would prefer to have extra available cash rather than stamps or commodities.

We believe that consideration of the following points would support continuation of the food stamp cash-out authorized by Public Law 92-603:

Through the SSI program and the food stamp cash-out, a potential 6.2 million aged, blind, and disabled persons could receive the bonus value of food stamps as part of their monthly check. This contrasts with the low percentage of participation by current recipients in the adult programs—18 percent receive commodities and 28 percent purchase food stamps.

It has been stated that 1.5 million persons currently receiving food stamps or commodities would be disadvantaged. This is not true. It is possible that most, if not all, of these persons would receive in their monthly SSI check the same bonus value they now receive. Furthermore, an additional 4.7 million individuals would be eligible to receive the bonus value. In neither case would recipients have to spend a set amount for stamps in order to get the bonus value. The cash would be sent to them as part of their monthly check.

It is critical that checks be mailed to our needy aged, blind, and disabled citizens on time under the new Federal program beginning January 1, 1974. We are well underway in planning with the States. Federal decisions on State supplementation under Federal administration have just been announced. States will begin to make final decisions on payment levels very shortly. This orderly process, designed to insure that the program is ready January 1, must not be slowed by possible legislative change. Further, if the States believe that SSI recipients will be eligible for food stamps, they very likely will not include the cash equivalent of the bonus value in their supplementary payment.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana (Mr. RARICK).

Mr. RARICK asked and was given permission to revise and extend his remarks.)

Mr. RARICK. Mr. Chairman, I thank the chairman for yielding me this time to speak on this very important piece of legislation.

Mr. Chairman, many Americans are particularly pleased that the committee included forestry incentives provisions in the general farm bill as a pilot program designed to encourage timber production on presently idle lands.

The distinguished Senator from Mississippi, JOHN STENNIS, the author of similar provisions in the other body, has summarized the need for this program quite well:

The purpose of this Forestry Program is to aid the small landowner to get his idle or very low production acreage started on a tree growth program. Strong provisions put a firm ceiling per year as to total expenditures, a ceiling for the total acreage that can go into the program and other safeguards which amply protect the Federal expenditure. The entire Forestry Program is strictly an "investment for growth" in forest products for the entire national economy.

Calling forestry incentives an "investment for growth in forest products for the entire national economy is correct." These provisions are needed and needed now to insure that there will be timber available to meet the increased demands of housing construction in America. Timber depends on trees and trees require time for growth. The final report of the National Commission on Materials Policy, released 28 June 1973, states in part:

The commercial forest land in non-industrial private ownership is generally poorly managed and least productive of all our forest land, although it includes much of the most fertile and accessible land suitable for growing trees. There is needed a strong and consistent program of increased financial and technical assistance to encourage small owners to grow and market timber crops.

Mr. Chairman, the forestry incentives program outlined in sections 1009 of the bill before us would help meet this need. The cost of this program is limited to a maximum of \$25,000,000 annually providing up to 25-year contracts, cost sharing limited to 75 per cent, or grants on tracts up to 500 acres. This is certainly a reasonable amount of money for this purpose, especially when we consider that, during the recently passed Interior appropriations bill Chairman HANSEN reported that the Forest Service spends approximately \$20,000,000 annually simply to clean up and repair the damage done in our forest lands by visitor and vandals.

Mr. Chairman, the \$25 million authorized by these provisions is an investment in America. It is an investment that will reap benefits to all. I would remind our colleagues that we have gone on record time and again in support of more and better housing for all Americans. It is impossible to build these houses with the words expended in this Chamber. It takes timber to build these houses and demand threatens to outstrip supply. Enactment of these forestry incentives provisions will be a major step to insuring that future Americans will have enough timber to supply their needs.

I commend our distinguished chairman from Texas (Mr. POAGE) and the

members of this committee for bringing this bill to the floor. H.R. 8860 is a good bill which will be beneficial to U.S. agriculture and American consumers. I urge support for this legislation.

Mr. DENHOLM asked and was given permission to revise and extend his remarks.

[Mr. DENHOLM addressed the Committee. His remarks will appear hereafter in the Extensions of Remarks.]

Mr. TEAGUE of California. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia (Mr. WAMPLER).

(Mr. WAMPLER asked and was given permission to revise and extend his remarks.)

Mr. WAMPLER. Mr. Chairman, I rise in support of the legislation before us, better known as the General Farm bill. H.R. 8860 is the result of months of hearings, consultation and deliberation on the part of the Committee on Agriculture. While it is doubtful that a single Member of the Committee is totally satisfied with all of the provisions of the bill, I do feel that it provides the basis for maintaining a sound agricultural economy during the next 4 years.

American agriculture must be considered one of our greatest national resources today. At a time when we hear so much discussion of rising food prices, we may be tempted to overlook some important and basic facts. To do so would have unfortunate consequences, not only for the American farmer but for the consumers of this Nation.

The authority contained in this legislation build on a complex of agricultural legislation and programs that have been laid down almost since the beginning of this Nation. Recognition of the need to foster a strong agricultural economy has been an important element of our national philosophy. Early national efforts in this direction aimed at opening up and settling the vast agricultural areas of this country. Along with these programs were efforts to expand the transportation and communications networks so that those in our rural areas could bring their products to market.

With the passage of the frontier, the emphasis has shifted toward programs that encourage more efficient production and marketing of farm commodities, improved utilization and conservation of our soil and water resources, and the stabilization and maintenance of agricultural income.

There have been successes in these efforts. There have also been false starts and failures. The inescapable fact, however, is that the American consumer has been the beneficiary of an agricultural abundance unknown or unimagined at any other time, in any other nation.

Today, 4.5 percent of our population provides the food and fiber to make the American consumer the best fed, best clothed in the world. Food today requires a smaller portion of the consumer's real income than ever before.

In its deliberations, the committee sought to lay the basis for continuing this situation. Agricultural production can only be assured if producers have the expectation of reasonable returns for their investment, labor and manage-

ment. This is what is aimed at in this legislation. The basic programs laid down in this bill will give the American farmer the assurance so necessary for him to continue to meet the demands of the Nation's markets at price levels that are reasonable to the consumer.

I cannot emphasize too strongly that this legislation must be viewed as more than just a "farm bill." The ultimate beneficiary of these programs is the consumer. Failure to provide the basis for a strong agriculture will result in heavy penalties in the form of reduced food supplies at higher prices for the consumers of the Nation.

As the ranking Republican member of the Dairy and Poultry Subcommittee of the Committee on Agriculture, I am deeply interested in and concerned over the dairy provisions of H.R. 8860. We have proposed continuing a number of important dairy programs that provide for improving the efficiency of our marketing system and improved nutrition. In addition, we have recommended strengthening several key programs so as to assure the continued production of adequate milk and milk products for the markets of the Nation.

Paragraph 2 of the bill contains a number of amendments to the Agricultural Marketing Agreement Act of 1937 and extends the authority for the use of seasonal base plans, seasonal incentive plans, and class I base plans under Federal Milk Market Orders.

The class I base plan is a system under which the value of fluid milk sales in a given market is apportioned among producers on the basis of the past deliveries of milk. For deliveries within his base, the producer received the higher class I price, while for marketings in excess of base, he receives a lower surplus price.

By assuring the producer of the class I price for his marketings up to the level of his base, the program permits the individual farmer to more nearly tailor his production to the actual needs of the fluid milk market.

At the present time, only two market order areas have class I base plan programs in operation. These are Puget Sound, Wash., and Atlanta, Ga. It should be emphasized that such a plan can only be made a part of a milk market order following full public hearings by the Department of Agriculture and the development of a proposal by the Secretary of Agriculture. After the Secretary has made his recommendations, all interested parties have the opportunity to comment on it before a final decision is made. Even following the Secretary's final decision, the proposal must be approved by two-thirds of the producers in the market voting individually in a referendum.

The seasonal base plan and seasonal incentive or so-called Louisville plan authority in the present law would also be extended for 4 years. Both of these provisions provide tools for use in milk market orders to encourage farmers to manage their dairy operations so that milk production throughout the year more nearly meets the demands of the market.

In addition, paragraph 2 of the bill amends the Agricultural Marketing

Agreement Act to require the Secretary of Agriculture to hold a hearing on a proposed amendment to a Federal milk market order if requested to do so by one-third or more of the producers in a market. Another amendment to the Marketing Agreement Act makes clear the requirement that the minimum prices established under Federal milk market orders provide for income levels which will maintain adequate productive capacity to meet future market demands. Both of these amendments are aimed at improving the ability of the Federal milk market order program to respond to the changing needs of consumers and producers alike.

In the past, milk producers operating under Federal milk market orders have experienced difficulty in obtaining hearings on proposed changes in market orders. This reduces the responsiveness of the program to the needs of producers and it can have the effect of reducing the supplies of milk available in the market. As an example of this, last winter producers from most of the major dairy areas of the country requested market order hearings on a proposed emergency price increase under the market orders. The need for the increase was the rapidly rising cost of feed and other production inputs which had, for many farmers, eliminated any profit margin they had. These requests were summarily denied. Thus, the Department of Agriculture effectively denied these dairy farmers an opportunity to present their case on the need for increased prices. Since that time, milk production has continued to decline. We are, in fact, rapidly approaching a milk production situation of crisis proportions.

Requiring that future supply needs be taken into account when establishing minimum price levels under milk market orders simply makes explicit the factor which should already be considered when taking such action. The dairy business is not an enterprise that can be stopped and started on short notice. It requires a high level of investment. The management and labor demands are great when compared to some other types of agricultural production. Farmers entering the dairy business do so on the basis of their estimate of market conditions years into the future.

If actions are taken which reduce milk production today, it will be years, not months, before that production can be restored. You cannot lay a cow idle. When a dairy cow is removed from production, she is slaughtered. It takes about 3 years to put a replacement for that slaughtered animal into production. Similarly, the facilities for milk production often have little use in other lines of agricultural production. Once a dairy herd has been disbanded and the equipment and facilities disposed of or allowed to lay idle for a period of time, the cost of renovating or replacing them is a major outlay which will not be made unless assurance is provided that the needed returns will be available over time.

This is why it is so essential that the level of future market needs must be considered when making price decisions

under our market order program. It has been argued that this is already done; however, the committee language makes this explicit as a requirement in formulating the minimum order prices.

Paragraph (3) of H.R. 8860 makes permanent the suspension of the requirement to support butterfat at 75 to 90 percent of parity. It also amends the Agricultural Act of 1949 to establish the minimum price support level for milk at 80 percent of parity and more specifically defines the adequate supply objective of the dairy price support program.

Section 202 of the Agricultural Act of 1970 suspended the requirement that price support be provided on butterfat at between 75 and 90 percent of parity. At the time this provision was enacted, it was argued that this step could be taken without adversely affecting the dairy price support program. It was aimed at providing the Secretary of Agriculture with additional flexibility in the administration of the dairy price support program, while improving the competitive position of milkfat and of butter.

Experience since that time has proven this action correct. Failure to extend this suspension would result in severe dislocations within dairy markets, reduce consumption of dairy products such as butter, increase consumer prices and raise the Government costs of the dairy price support program.

At the time the Agricultural Act of 1949 was enacted, the production of farm-separated cream was a major farm enterprise. The rapid change in the character of the American dairy industry is nowhere more clearly demonstrated than in this area. Today, less than 1 percent of marketings by dairy farmers is made up of farm-separated cream.

Reinstatement of the mandatory support provision for butterfat would result in a 12- to 15-cent-per-pound increase in the price of butter. This would add to consumer costs and would raise the cost of the dairy price support program, as less butter would be consumed and the Commodity Credit Corporation would acquire more at the higher price.

The amendment clarifying the adequate supply objective of the dairy price support program is similar in nature to the new requirement in the Marketing Agreement Act which requires consideration of the level of prices needed to assure the maintenance of adequate production capacity to meet future needs. For the first time, this proposal actually spells out in the law that an adequate supply not only means what is needed for current needs, but that the price support level established must assure adequate income for dairy farmers to maintain productive capacity to meet anticipated future needs. As I have already explained, this is essential because of the long-term nature of the dairy business.

The increase in the minimum price support level for milk to 80 percent of parity is a question of basic concern to dairy farmers and to consumers across the Nation. At the heart of the issue is the continued production of adequate milk at reasonable prices.

Early this year, I joined the distinguished chairman of the Dairy and Poultry Subcommittee, Mr. JONES of Tennessee, and more than 100 of our colleagues in introducing legislation to establish the dairy price support level for the current marketing year at 85 percent of parity. Early in February, our subcommittee held extensive hearings on this question. At that time, dairy farmers from all over the country documented the need for this action to assure the production of adequate supplies during the coming year.

The provisions in H.R. 8860 establish the minimum price support level for milk at 80 percent of parity. This is clear recognition of the need for the increase price assurance to bring forth an adequate supply of milk for the Nation's markets. Dairy farmers today face an economic squeeze of great intensity. Under normal circumstances, milk production declines during periods of over-production and falling prices. Today, even though milk prices are higher than ever before in this country, production costs have risen at such a rapid rate that dairy farmers are being forced out of business. Supply and demand are in very close balance now at the peak of the flush production season. When we get to the short production season later this year, we will face very real problems in meeting the needs of the market.

We stand today on the threshold of a major crisis in milk production in this country.

As I have mentioned, farmers are leaving the dairy business and milk production is declining despite the fact that supply and demand for milk and milk products are in close balance and milk prices are at levels that have been, until recently, considered relatively good. The concern which is being expressed concerning the adequacy of milk supplies in some of the Nation's major markets is very real. Action is needed to signal the Nation's dairy farmers that their market prospects are improving and that there will be a reasonably adequate price level for their production.

Since the prices paid farmers for virtually all milk produced in this country is directly or indirectly affected by the price support level set for manufacturing milk, increasing the minimum price support level for milk to 80 percent, as H.R. 8860 does, is one of the most effective means of giving farmers the needed assurance. Without this, we face the very real prospect of continued heavy culling and complete dispersal of herds as dairymen cut back their operations.

The seriousness of the economic problems facing dairy farmers cannot be overstated. This problem will become very real for the American consumer as well, if shortages in the marketplace force consumer prices much higher than a reasonable adjustment in the support level would.

Milk production can be lowered easily through heavier culling and herd dispersals. However, we must remember, it can only be increased over relatively long periods of time, because of the necessary

investment in production facilities, equipment, and dairy cattle.

The high investment required in the dairy business makes it a long-term planning proposition. In 1970, the U.S. Department of Agriculture reported that the average investment in a 40-cow dairy operation in southeastern Wisconsin was over \$123,000. That was 3 years ago. The investment needed on that same farm had risen from \$81,000 in 1964.

With the rising costs and increased investment required in connection with meeting State and Federal animal waste management requirements, it would not be out of line to project an investment requirement of \$150,000 on that same farm today. In my State of Virginia, the investment and operating costs would be at least as high, or higher.

Before a dairyman will continue the investment necessary to keep him in the business, he must have some degree of assurance that his return will be in line with what he can obtain from alternative investments. He must have some degree of assurance that prices within the industry are not going to be forced to disaster levels by administrative action.

Milk is a highly perishable product and its production follows a seasonal pattern. Demand for milk and milk products, on the other hand, is almost constant throughout the year.

Milk production during the spring and early summer is relatively high and falls off to a low point in the late fall and early winter months. Given this pattern, it is impossible to avoid seasonal surplus production if adequate supplies are to be had during the low production period.

Under today's condition, dairy farmers do not have the price assurances needed to stay in business with price supports at the 75 percent of parity level. This is evidenced by the decline in cow numbers and the drop in milk production during the last 7 months. If they cannot make a decent living for themselves and their families, they are not going to stay in business. If they do not have adequate supplies of milk will not be produced.

A higher price support level for milk is needed to assure an adequate supply of milk for consumers as required by the Agricultural Act of 1949. Milk and dairy products have remained a bargain on the retail shelf and demand strengthened greatly over the last year and a half. In 1972, per capita consumption showed an increase for the first time in 15 years. Our population increase and the number of people employed are increasing steadily. Total earnings by employees, expressed by higher wages and the number employed, have increased and are projected to continue to grow. Per capita income which increased 6 percent in 1972 will show gains of that magnitude during the upcoming marketing year.

During 1972, gains in milk and dairy product consumption outstripped the increase in production by 2 to 1; thus, it is extremely important to assure dairy farmers of prices commensurate with their cost if we are to maintain sufficient milk production to meet the needs of

consumers not only for today, but in future years.

The price support program is a major bulwark of the legislation designed to stabilize the dairy industry, improve incomes to dairy farmers, and to assure adequate supplies of milk and dairy products to consumers at reasonable prices. The Congress, in enacting agricultural legislation consistently, has declared parity prices to farmers as its goal. The attainment of parity prices to farmers is essential if they are to fulfill their responsibility to the consuming public and if they are to participate in the economy on an equitable basis with other segments of the population.

The average net cost of the dairy price support program, since its inception has been about \$225 million per year. Many of the dairy products acquired under the program have been utilized in the child nutrition and food distribution programs of the Department of Agriculture. The value of these programs and the need for them was clearly illustrated last winter when there arose considerable controversy and publicity because of the curtailment of nonfat dry milk deliveries by the Department of Agriculture to participate in these food programs. The simple fact was, and it remains, that there was insufficient product available for use in these necessary programs.

Today, the Commodity Credit Corporation holds no stocks of nonfat dry milk or cheese and only nominal stocks of butter.

When all factors are weighed, there is every reason to increase the minimum price support level for milk to 80 percent of parity. The strengthening of the market at this time is essential to assure farmers that they will have prices in the years ahead which will warrant their staying in the milk production business. Clearly, a minimum price support level at 80 percent of parity for manufacturing milk is in the public interest.

Section 203 of the Agricultural Act of 1970 extended the authority to transfer stocks of dairy products held by the Commodity Credit Corporation under the price support program to Veterans Hospitals and to the Armed Forces. This authority expires at the end of this year and would be extended for 4 years by paragraph (4) of the bill.

Through the years this program has been in effect, substantial quantities of nutritious dairy products have been made available to the Armed Forces and the Veterans Administration. Since it was established in 1954, transfers have totaled 442 million pounds of butter, 26 million pounds of cheese, 1 million pounds of nonfat dry milk, and 5.7 billion pounds of fluid milk have been utilized.

This represents good management of commodities acquired under the price support program and a highly beneficial use of those stocks. Extension of this authority would continue to assure our servicemen and former servicemen receiving care in our Veterans Hospitals of these high-value food products, rather than have them accumulate in Commodity Credit Corporation inventories.

Authority for the dairy and dairy pro-

ducts indemnity program contained in the Agricultural Act of 1970 expired on June 30, 1973. Under this program, dairy producers and operators of dairy manufacturing plants are reimbursed for losses resulting from milk and milk products being barred from markets because of traces of chemical residues. Paragraph (5) of H.R. 8860 extends this authority for five years and provides an important amendment to the program.

Where it can be established that these residues have not resulted from any pesticide misuse by the farmer, he has been eligible under this program for reimbursement of his losses.

In terms of total government costs, the program has not been a costly one. Since its inception in 1964, total outlays have been less than \$1.5 million, or about \$165,000 per year. For those producers whose milk has been barred from the market, however, it has meant the difference between staying in business or suffering a loss from which they could never recover. Even though few in number, these occurrences continue. As long as this is the case, it is essential that the program be continued.

As reported by the Committee on Agriculture, the indemnity program is expanded to authorize the purchase of cows whose tissues contain the pesticide residue causing the milk to be withheld from the market. This amendment is aimed at providing increased flexibility in the administration of the program and possibly reducing the program costs. In some instances, it may be more economical for the Secretary of Agriculture to make a one-time payment for the contaminated animal than to make payments over a period of time for the milk produced by that cow.

The importation of dairy products into the United States has long been a major concern to the domestic industry. In recognition of this problem, import quotas have been established under section 22 of the Agricultural Adjustment Act. Since most of the dairy products entering international trade carry substantial export subsidies, these quotas have been and continue to be essential to prevent the United States from becoming the dumping ground for foreign produced dairy surpluses.

Section (6) of the bill provides an amendment to section 22 which lays down a procedure for domestic producers and processors of dairy products to receive priority treatment in the issuance of licenses for new imports of dairy products. Since these are the people responsible for maintaining and operating the primary dairy product markets in this country, this procedure can be helpful in preventing market disruption.

Mr. Chairman, I cannot overemphasize the importance of passing solid farm legislation. I believe that H.R. 8860 is the best that can be developed at this time. I urge the support of my colleagues.

~~Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Washington (Mr. ADAMS).~~

~~Mr. ADAMS. Mr. Chairman, I thank the chairman for yielding to me, particularly because I understand that those who are involved in this debate are those~~

HOUSE CONTINUED DEBATE

ON

H.R. 8860

Amendment excluded casein and caseinates from the definition of dairy products under the dairy import licensing program

July 11, 1973

There were times when I despaired of ever having the opportunity to make such an announcement to this body. Now that it has finally occurred, I am sure that everyone here joins me in extending our deepest congratulations to the happy couple.

Miss Ryan is a graduate of Newton College of the Sacred Heart and Boston College Law School. She is an attorney at law and a member of the Springfield City Council, so she is no stranger to the political life.

While having avoided the matrimonial waters up to now, our colleague is wasting no more time. The private wedding ceremony has been set for August 9 in Springfield.

Mr. Speaker, on behalf of all my colleagues, I extend our fondest best wishes to one of the most able and admired of this House, Mr. BOLAND.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. SISK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

THE SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

AGRICULTURE AND CONSUMER PROTECTION ACT OF 1973

Mr. POAGE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill—H.R. 8860—to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices.

THE SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 8860, with Mr. NATCHER in the chair.

The Clerk read the title of the bill.

THE CHAIRMAN. When the Committee rose on yesterday, it had agreed that the first section of the bill, ending on page 53, line 2, be considered as read, printed in the RECORD, and open to amendment at any point.

Are there further amendments to be proposed?

AMENDMENT OFFERED BY MR. RAILSBACK

Mr. RAILSBACK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RAILSBACK: Page 6, line 8, strike out the words "casein, caseinates"; and page 6, line 11, after the figure "(1)" insert the words "casein, caseinates".

(Mr. RAILSBACK asked and was given permission to revise and extend his remarks.)

Mr. RAILSBACK. Mr. Chairman, a simple change in section 205 of the agriculture bill now before us could be of significant benefit to many companies, their employees, and to the American consumer.

This section gives the President the authority to establish a new import licensing program for dairy products. Only those products may be imported by or for persons or firms to whom a license has been issued by the Secretary of Agriculture. The Secretary shall make licenses available for a 30-day period before issuing licenses to other applicants to domestic producers and processors who agree to import such dairy products. Included in these dairy products are casein and caseinates. Casein is the principal protein in milk, and, nutritionally, is one of the most complete proteins known. It may be precipitated from milk by the addition of dilute acids. Caseinates, on the other hand, are the salt form of casein.

Before World War II, the United States had a fairly substantial casein industry. However, the industry rapidly declined after the institution of the dairy price support program in 1949. At the present time, there is little, if any, casein produced domestically—less than 1 percent—and there is less than 5 percent of all caseinates produced in the United States.

Currently, about half of casein consumption is in food products—cheese, coffee whiteners, instant breakfasts, and desserts and toppings. It is also used in the production of such varied products as paper, paints, glues, and plastics.

Because of their widespread use and because of the fact that the imports do not threaten domestic production—since there virtually is none—I oppose subjecting the companies which use these imports to licensing regulation.

In addition, for the sake of the American consumer, we must take casein and caseinates out of this bill. Not everyone can afford cream and other real dairy products. We must not endanger their access to dairy substitutes.

I urge immediate and favorable action on my amendment this afternoon. Thank you.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. RAILSBACK. I yield at this time to the gentleman from Texas, the distinguished chairman of the committee (Mr. POAGE).

Mr. POAGE. Mr. Chairman, speaking as an individual, and with the assurance that a number of Members agree, as far as I can see, there is no objection to this amendment. I think it fits well, and there is no objection on my part, at least, and I trust on the part of the committee.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. RAILSBACK. I yield to the gentleman from California.

Mr. TEAGUE of California. Mr. Chairman, I, too, have no objection and accept the amendment. I know of no member of the committee who has any objection.

Mr. STEIGER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. RAILSBACK. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. Mr. Chairman, I appreciate the gentleman's yielding. I want to commend him for the amendment.

(Mr. STEIGER of Wisconsin asked and was given permission to revise and extend his remarks.)

I support the Railsback amendment which would eliminate from the dairy import provision casein. There is almost no casein produced in the United States and if this amendment is not adopted the result will be higher costs and disruption. With milk demand at an all time high and supply off to cause a further demand by effectively limiting casein from coming in would be a mistake.

I urge adoption of this corrective amendment and would hope that the conferees will stick by this position.

Mr. ALEXANDER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Illinois. (Mr. RAILSBACK).

This amendment would exclude casein and caseinates from the definition of dairy products for the purposes of the provision on this bill which deals with dairy import licenses.

For those of you who may be unfamiliar with this product, let me explain first that the Food and Drug Administration classifies casein and its derivatives as a chemical—not a dairy product. This, then, is the major argument for excluding casein from a portion of a bill dealing with dairy imports.

It takes 100 pounds of skim milk to yield approximately 3 pounds of dried casein. This same amount of skim milk would yield 9 pounds of nonfat dry milk. Thus, domestic producers have found that they can make much more processing the dry milk than casein. In fact, I think I am safe in saying there is no casein at all produced in the United States. For this reason, I would question the need and wisdom of licensing this product which is becoming more and more widely used in the production of feed and food by processors in this country.

In a year when the United States has allowed an additional 85 million pounds of nonfat dry milk to be imported over its usual quota and at a time when domestic production of dairy products is at a low and prices of dairy products are at a high, I ask my colleagues to support this amendment which I believe makes a necessary and noncontroversial change in this legislation.

THE CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. RAILSBACK).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. SMITH OF IOWA

Mr. SMITH of Iowa. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Iowa: Strike everything from page 39, line 9, through page 41, line 3, and insert in lieu thereof the following:

BASIC FOOD RESERVE

"SEC. 809. (a) Notwithstanding the provisions of any other law, the Secretary of Agriculture shall in accordance with the

HOUSE CONTINUED DEBATE

ON

H.R. 8860

Amendment provided that dairy import licenses
could not be sold, transferred or assigned

July 16, 1973

July 16, 1973

CONGRESSIONAL RECORD — HOUSE

if the gentleman will yield further, it is not without precedent.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection, and thank the gentleman from Georgia for his explanation.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the bill, as follows:

H.R. 9172

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 316 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following new subsection (g): "(g) Notwithstanding any provision of this section, when as a result of flood, hail, wind, tornado, or other natural disaster the Secretary determines (1) that one of the counties hereinafter listed has suffered a loss of 10 percentum or more in the number of acres of tobacco planted, and (2) that a lease of such tobacco allotment or quota will not impair the effective operation of the tobacco marketing quota or price support program, he may permit the owner and operator of any farm within Atkinson, Berrien, Clinch, Cook, Lanier, Lowndes, or Ware Counties, Georgia, or Clarendon, Lee, Sumter, or Williamsburg Counties, South Carolina, which has suffered a loss of 30 per centum or more in the number of acres of tobacco planted of such crop to lease all or any part of such allotment or quota to any other owners or operators in the same county, or nearby counties within the same State, for use in such counties for the year 1973 on a farm or farms having a current tobacco allotment or quota of the same kind. In the case of a lease and transfer to an owner or operator in another country pursuant to this subsection, the lease and transfer shall not be effective until a copy of the lease is filed with and determined by the county committee of the county to which the transfer is made to be in compliance with the provisions of this subsection."

AMENDMENT OFFERED BY MR. MATHIS OF GEORGIA

Mr. MATHIS of Georgia. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MATHIS of Georgia: On page 2, line 4, following "Atkinson," insert: "Bacon."

The SPEAKER. The question is on the amendment offered by the gentleman from Georgia (Mr. MATHIS).

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AGRICULTURE AND CONSUMER PROTECTION ACT OF 1973

Mr. FOAGE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 8860) to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices.

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 8860, with Mr. NATCHER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Thursday, July 12, 1973, the first section of the bill, ending on page 53, line 2, was open to amendment at any point.

Are there further amendments to be proposed to this section?

Mr. ROUSSELOT. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Seventy-two Members are present, not a quorum. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 337]	
Addabbo	Gray
Alexander	Green, Pa.
Ashbrook	Gross
Ashley	Gubser
Aspin	Hanna
Badillo	Hebert
Bell	Heinz
Biaggi	Helstoski
Blatnik	Hillis
Boland	Holt
Brown, Mich.	Holtzman
Burke, Calif.	Johnson, Calif.
Burke, Fla.	Kastenmeier
Chisholm	Kenip
Clark	Landgrebe
Conyers	Landrum
Danielson	Lott
DeJuliis	McCormack
Diggs	McDade
Dingell	McFall
Dorn	McKinney
Edwards, Ala.	Mailliard
Edwards, Calif.	Mallary
Fisher	Maraziti
Fraser	Minish
Frelinghuysen	Minshall, Ohio
	Mitchell, Md.
	Morgan
	Murphy, N.Y.
	O'Hara
	O'Neill
	Parris
	Pepper
	Pettis
	Peyser
	Podell
	Reid
	Reuss
	Robison, N.Y.
	Roe
	Roy
	Ruppe
	Sandman
	Stratton
	Stuckey
	Talcott
	Thompson, N.J.
	Ullman
	Vander Jagt
	Wilson, Bob

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 8860, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 357 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. Are there additional amendments to title I?

AMENDMENT OFFERED BY MR. FINDLEY

Mr. FINDLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY: On page 4, strike lines 10 and 11.

(Mr. FINDLEY asked and was given permission to revise and extend his remarks.)

Mr. FINDLEY. Mr. Chairman, I have two amendments to the dairy section; both of them would help consumers of milk and dairy products. One is on the question of price support levels. The bill before us would increase the minimum price support for dairy products from

75 percent of parity to 80 percent of parity.

The other amendment which I will offer when I have the opportunity deals with the dairy import license section, which is a very novel provision under which the producers and processors of dairy products would be able to be in charge of the import of dairy products, somewhat like putting General Motors in complete charge of deciding how many Volkswagens will be introduced into this country.

The amendment now before the Members is one to reduce the level of price supports as provided in the bill from the level of 80 percent of parity to the present minimum price support, that is, 75 percent of parity. The dairy section, as I say, will raise milk and other dairy prices. My amendment will keep the minimum price support at 75 percent.

This amendment is the Members' chance to vote against higher milk prices. If Members want to be recorded for higher milk prices, vote against my amendment.

Bear in mind that the price support is a floor and not a ceiling. If the Secretary of Agriculture at some future time gets word about milk supplies and wants more production, he will have the option of raising the minimum price supports to stimulate production. That flexibility is now in the law and is not changed at all by my amendment or by the bill that is before us. But if the 80 percent price support floor sticks, consumers will be stuck with higher milk prices.

I hope the Members will not be fooled by arguments that dairy prices are already above 80 percent of parity. These arguments are being sold by the well-fed, well-paid, well-financed milk lobby that has been churning around Capitol Hill in the past few days. The sole objective of this lobby is to legislate higher milk prices. The 80 percent floor is like the bottom rung of the extension part of an extension ladder. If the bottom rung of the extension part goes up, everything above it goes up, too. That means that the price paid by the consumer will go up if the minimum price support specified in this bill goes up.

In fact, the Department of Agriculture in a memorandum furnished to me just a couple of weeks ago estimated that the change from 75 percent of parity to 80 percent of parity will cost consumers \$182 million extra the first year of this bill. The 4-year cost by my estimate would be about \$800 million. But that is only a part of the price tag of this price support change.

The Department of Agriculture estimates that the increase will cost the Government, that is, in new Government expenses, new Government costs, \$521 million over the 4-year life of the bill, so we are talking about a Government outlay of \$1/2 billion in this seemingly modest price support change from 75 to 80 percent of parity.

If we add the two items together, the increase to 80 percent of parity proposed in this bill will sock the American people to the tune of \$1.3 billion over 4 years or about \$320 million a year.

So if the Members want higher milk prices, vote against my amendment. If the Members would like to hold milk prices down, vote "yes."

The question occurs, Is there really broad interest in consumer prices? Here is an opportunity to test the level of that interest in this body. I will give the Members a chance to vote "yes" or "no" on the question of raising milk prices.

Mr. POAGE. Mr. Chairman, I rise in opposition to the amendment.

This amendment is based upon the same fallacy that has served as the basis for so many of the proposals offered by the gentleman from Illinois. It is based on the assumption that if we fix a support price at a very low level, the public will be able to buy very cheap food. Unfortunately for that philosophy, experience in the last few weeks has shown that it does not work.

Have any Members heard anything about chickens getting scarce? Have any Members heard anything about meat beginning to get scarce? That is occurring not because the price is down but because a farmer cannot get any profit for producing those things, and when he cannot make a profit he does not produce them any more than those who operate factories would produce items on which they cannot make any money.

The question is not what we are going to pay. The real problem is: Are we going to have the food?

But I want to suggest something about this particular milk price and I want every Member to hear me. I do not often demand the attention of the Members, but I would appreciate it deeply if each Member who is properly committed to protecting the welfare of the consumer ~~will~~ bear in mind that just about 3 months ago we had 80-percent support for milk and milk products. We had 80-percent support and it was dropped to 75 percent. I want every Member in this Chamber who has observed a drop in the retail milk price to stand up, please.

It is a perfect fallacy for the Members to be told that what the gentleman is proposing is going to protect the consumer from the high prices for milk. We had 80 percent and we were paying less for milk then than we are paying today. How in the world can the gentleman seriously insist that he is going to reduce the milk price by refusing to let producers get a fair return for their milk? He is not going to drop the price by forcing milk cows to the market for slaughter.

Oh yes he talks about these "big, ~~in~~ dairymen I do not know what the situation is in his west-central Illinois area but I know what it is in central Texas. I know there are very few people ~~in~~ off the farm who work more diligently and who work longer hours and to work under more adverse circumstances than do our dairymen. It is a hard work. It is unpleasant work. Yet somebody stays at it always in the hope that he will wind up with enough to pay the mortgage and pay the feed bill and that feed bill has been going up mighty fast.

I have been in the dairy business. I got out of it as quickly as I could. But I have been in the business and I know

something about the privations of those who are dependent upon milking cows for their livelihood. Of course, the gentleman may have an entirely different situation in his district, but if so it is probably the only district in the United States where dairymen are rolling in wealth and where dairymen are enjoying the easy life or where dairymen are even getting a fair price.

Do Members think it is unreasonable to expect dairymen to get 80 percent of a fair price? That is all we are asking that we give these dairymen—80 percent of a fair price.

When the gentleman tells us it is going to cost so much money, remember we have been supporting dairy prices at 80 percent. This is not something new. We are just going back to what we have been doing.

I cannot remember any other commodity where the support has been dropped as it has in dairy prices, but the support has been dropped on dairy products and has gone up in almost everything else. Do the Members want to vote for something that is going to reduce the income of the dairy farmers, something that is going to cut the price down lower than it was last year, and yet expect them to pay present-day prices for feed and present-day prices for supplies and present-day prices for labor and present-day prices for their equipment?

Mr. TEAGUE of California. Mr. Chairman, I move to strike the necessary number of words.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of California. I yield to the gentleman from Illinois (Mr. FINDLEY)..

Mr. FINDLEY. Mr. Chairman, our good chairman of the House Agriculture Committee, Mr. POAGE, bases his whole argument against this amendment on the fear of short supply of milk that might put consumers shelves empty and price milk even higher than it is now. But he pointed out himself in the course of his argument that the Secretary has indeed power to raise supports, if need be, and in times past has done so. There is no reason in this world why under my amendment the Secretary of Agriculture could not exercise the same flexibility if he saw a shortage looming, and raise supports to 80 percent or even higher if he felt that was necessary to get the added production.

By the same token, it makes no sense whatever to inflict the consumers and taxpayers of the United States with a price floor that is unnecessarily high. I would point out to the Members that there is not a single commodity produced in the United States today which enjoys a minimum price support as high as even 75 percent for all production. We are talking about a price support for all production of dairy supports here, not just for those which might happen to be under a marketing order, but for every dairy producer.

It makes no sense whatever to raise the price-support minimum to unnecessarily high levels.

If I have fallen into a fallacy, to use the chairman's own words, the Depart-

ment of Agriculture has fallen into the same fallacy, because I used Department figures, not Findley figures.

Mr. Chairman, I thank the gentleman from California for yielding.

Mr. TEAGUE of California. Mr. Chairman, I support the Findley amendment.

Mr. DENT. Mr. Chairman, I rise to oppose the amendment.

Mr. Chairman, it is too bad that a greater number of the American people and, I might say, a greater number of the Members of Congress have not taken the time to really study the agricultural economy of this country. There would be no need for price supports if we based the cost of production and the selling price of agricultural products realistically.

However, what we do, each and every one of us in the United States, is pay taxes in order that we can support the difference between what a farmer gets for his product and what we sell it for in foreign countries.

The last time I was in Wisconsin, a few years back on a study of this problem—I have not been out since, because it has become so confused today that I doubt if anyone really knows the answer—one of the answers very seriously, is this: Last year, in 1972, the foreign buyers jumped up their corn purchases from 500 to 880 million bushels of corn. It was at a price that the farmer cannot even start to grow it for and a price we all know we have to pay in millions of dollars in support.

The gentleman from Ohio was talking about it along the lines of cost. It is not millions of dollars support for the consumption of the American people; it is for the consumption of the foreign people that get world prices on products grown on our farms below the price of the production, and every man in this room knows it.

In Wisconsin, they had whole sheds, warehouse sheds filled with Cheddar cheese being shipped where? Being shipped over to Switzerland, the great dairy country. Why? Because they get it at a price we could not buy it at in our stores and then they reprocess it and send it back to the United States in about bite size pieces, if you please. They were getting 500-pound-barrel sizes, shipping it back from all of the dairy countries of Europe, back into the United States delicately and daintily wrapped in little packages.

We "suckers" run into the confectionery and pay a price higher than was paid for the American product. They did not even support the tariff and custom rates for the amount of money we sold it to them for. We allowed it to come into this country at less than 25 cents a pound, and we were selling at 25 cents a pound.

Members may as well make up their minds.

I do admire the one point which was brought out about the dairy imports. A few years ago, Mr. Freeman was Secretary of Agriculture, he got President Johnson to put a clamp on the imports of cream or products made from milk. Why? Because our dairy farmers were down on their backsides. They were broke.

My State is a dairy State. Pennsylvania is one of the largest eastern seaboard States of the Union for dairy farming. The farmers do not get any of this money we are talking about, to amount to anything. They did get a little lime, and a little for the fishponds, to help reduce erosion, but the Congress saw fit to take that out.

We must tackle this thing at the cross, where it belongs, and that is between 90 and 97 percent of parity. From 1946 to 1950 were the best days we had, because we had almost a 90- to 95-percent parity in agricultural products. Anything less than that deprives the farmer of the ability to buy American machinery, to buy the products he needs on the farm.

This business of dairy farming is no longer a little backwoods operation. It is mechanized. They have lost in my State thousands and thousands of dollars, on the equipment they must have to be allowed to come within the law to produce milk in that State and sell it.

I want to say to all of the Members that until we tackle this problem on the basis of the difference of a world price and the American cost price of production we

will never resolve the farm problem. They will always be the stepbrothers of the American workingman.

Mr. WAMPLER. Mr. Chairman, I rise in opposition to the amendment.

(Mr. WAMPLER asked and was given permission to revise and extend his remarks.)

Mr. WAMPLER. Mr. Chairman, the increase in the minimum price support level for milk to 80 percent of parity is a question of basic concern to dairy farmers and to consumers across the Nation. At the heart of the issue is the continued production of adequate milk at reasonable prices.

In the enactment of legislation originally authorizing the dairy price support program, Congress set forth three basic objectives. These are: First, assistance to dairy farmers in the securing of parity prices in the marketplace; second, a support floor at which the Government intervenes through Commodity Credit Corporation purchases to prevent milk prices to farmers from dropping too low; and third, assurance of the production of adequate supplies of milk within our own shores which can be depended upon in times of war or other emergencies. The present minimum of 75 percent does not fulfill that objective.

I strongly feel that the minimum of 80 percent of parity should prevail. It is barely consistent with current marketing conditions. In fact, more than 100 of our colleagues agreed earlier this year that the price support level should be set at 85 percent for the current marketing year.

The production situation is critical in the dairy industry today. Just as we failed to heed warnings of an energy shortage, and a feed grains shortage, until it was too late, so we fail to read correctly clear signals of distress within the dairy industry.

During the month of June, milk production throughout the United States was 2.5 percent less than a year ago. Total production for the first 6 months of

this year is down 2.0 percent from a year ago. The number of milk cows on farms is 2 percent fewer than a year ago, and milk production per cow is also down slightly.

Even though milk prices are higher than ever before in this country, production costs have risen at such a rapid rate that dairy farmers are being forced out of business. Supply and demand are in very close balance now, and this is the peak of the production season. Later this year, when the short production season is upon us, it will be next to impossible for the dairy farmers to meet the needs of the market.

During 1972 gains in milk and dairy product consumption outstripped the increase in production by 2 to 1. It is extremely important that we assure dairy farmers that they will be able to recover a reasonable percentage of their cost if we expect them to continue to fulfill their responsibility to the consuming public. Their participation in the economic stabilization process demands equitable opportunity.

The productivity of the farmer means that America can supply abundant food for all of our people. The cost of living has been going up, but it is not the farmer who is to blame. He has been striving and investing to produce the milk, meat, grain, vegetables, and other needed food as economically as possible. Farmers have doubled their output per man-hour just since 1950. They have increased their productivity three times as fast since 1960 as nonfarm industries. They have actually been holding down our cost of living. Americans spend a lower percentage of their disposable income for food than any other industrialized country in the world. Obviously if farmers were still using the methods of even 20 years ago, food would cost substantially more today than it does. America has a very high standard of living, because of its higher productivity, and agriculture is a glittering example of what productivity can accomplish.

When all factors are weighed, it is obvious that there is every reason to increase the minimum price support level for milk to 80 percent of parity. The strengthening of the market at this time is essential to assure farmers that they will have prices in the year ahead which will warrant their staying in the milk production business. Clearly this is in the public interest.

Mr. STEIGER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. WAMPLER. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. Mr. Chairman, I appreciate the gentleman's yielding. I would like simply to compliment him on an extraordinarily good statement and associate myself with his remarks.

The gentleman from Illinois in proposing the amendment talked about the effect that his move to lower the support level conceivably could have upon the consumer. What I think has been forgotten is the point which the gentleman from Virginia made so clear, that in terms of future production, in terms of the ability of the farmer to remain in

business, a refusal to set the price at a decent level will, in effect, mean not an extra supply of milk, but a shorter supply of milk.

What I see in my State of Wisconsin, as I know the gentleman from Virginia sees in his State, is that dairy farmers today are questioning whether or not they want to remain in business, whether or not they are going to have a decent support price to justify the cost that they bear of the goods they are buying. And if they do not, and if there is not an assurance, what they are going to do is to say, "I am going to get out of the milk business."

Mr. Chairman, the result of that step will be clearly that consumers will pay more for less product. The failure of this Congress to deal with the serious problems facing the dairy farmer will have longrun consequences.

Mr. Chairman, I compliment the gentleman from Virginia (Mr. WAMPLER) for his very fine statement.

Mr. JONES of Tennessee. Mr. Chairman, I rise in opposition to the amendment.

(Mr. JONES of Tennessee asked and was given permission to revise and extend his remarks.)

Mr. JONES of Tennessee. Mr. Chairman, it was my pleasure to preside over the House Dairy and Poultry Subcommittee on consideration of the dairy section of the Senate passed farm bill. Let me say that when we received this bill a hot debate was going on over some of its provisions.

The Justice Department was upset over some of the milk marketing order provisions. Farm groups were at each others' throats and consumers were up in arms. However, the committee took steps to calm the situation and in so doing eliminated the controversial sections. As far as I know, there is little significant opposition to our version of the bill.

We completely eliminated the controversial market order provisions and simply extended the class I base plan. This allows dairy producers to sell fluid milk on the basis of their past deliveries of milk. For staying within this production framework a dairyman will receive the agreed price in the market order. If he overproduces, he will receive a lower price. This basically is the same system we have operated under since 1965.

A new provision gives producers the right to a hearing with the Secretary of Agriculture on their marketing agreement if one-third of the producers request such a hearing in writing. In the past USDA has ignored legitimate complaints, and this should insure their right to be heard.

Another change in title I simply mandates that the Secretary of Agriculture, when setting prices in Federal milk marketing orders, should consider both the need for adequate supplies of high quality milk and the need to insure a farm income adequate to maintain the productive capacity in dairying needed to meet anticipated future demand.

While this change probably will not have much effect, it points out a very serious problem. We are rapidly losing our ability to produce milk. Dairymen are

selling all their cows except their top-notch producers. Feed costs will not allow dairymen to maintain any but the most efficient milk cows. Farmers are taking advantage of the current beef prices and are liquidating their herds.

Dairying is hard work, 7 days a week; when a farmer gets out of the business he is not likely to go back in. Marginal producers are falling by the wayside. In my district we have had several go out of business this month. And remember that they are selling their dairy herds for hamburger, not to other dairymen.

In consideration of this very serious problem, the committee voted to set the minimum dairy price support level at 80 percent of parity. This is a 5 percent adjustment above the 75 percent level set by USDA this past March. I want to say, also that this provision puts more power back into the hands of Congress and takes it out of the hands of the administration. We all realize the need for Congress to regain its rightful place as an equal branch of government and this is a step in the right direction. Currently the support level can be set by USDA at any point between 75 percent and 90 percent of parity. I must say their decisions have been made arbitrarily without regard for the long-term consequences. However, in the interest of compromise, the Department still has the flexibility of setting the support level between 80 percent and 90 percent of parity. Also, the bill gives added flexibility by permanently eliminating the butterfat support program which was temporarily suspended by the 1970 farm bill.

This bill would amend section 22 of Agricultural Adjustment Act of 1938, as amended, as it pertains to dairy import licenses. It makes an allowance that when new dairy products are imported, that is any product not currently covered under section 22, licenses must be issued and must be made available for a 30-day period to domestic producers and processors of that product. This gives our domestic producers a chance to compete with foreign producers.

Our bill extends and reaffirms several provisions of the old bill. It extends the authority to donate dairy products acquired under the dairy price support program to the military agencies and the Veterans' Administration. It incorporates the same legal clarification of the status of producer-handlers as in the 1965 and 1970 acts.

The dairy indemnity program is extended and adds a provision to indemnify farmers for milk cows whose production is lost due to residues of chemicals which are registered and approved by the Federal Government. The provision is not retroactive and would only apply to cows producing milk which is ordered removed following enactment.

I see very little that is controversial about this bill. Some Members and some visitors are arguing against the 80 percent price support level. I submit that if this small increase is not granted, consumers are going to see sky high prices. All but the large dairies will go broke.

The trend has already started. I believe few people would disagree that dairymen deserve a fair price for their

product. As consumers our choice is simple, pay the fair price for adequate supplies or face a situation of not being able to afford what little milk is produced.

Gentlemen, we need milk. Milk is needed for the children of this country. We need it for a good balanced diet. But, believe me, we are going to face a real shortage of milk in the not too distant future if we do not do something to encourage these dairy farmers to remain in business and quit liquidating their dairy herds as they are doing today.

I was in Tennessee over the past weekend, not in my district but in the eastern part of the State. These dairy farmers are getting rid of their cows as rapidly as they possibly can and, as has been pointed out by my good friend, the gentleman from Virginia (Mr. WAMPLER), we need these milk cows and we need dairy farms throughout this country.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. JONES of Tennessee was allowed to proceed for 1 additional minute.)

Mr. JONES of Tennessee. However, with the closing in of the prices on feed-stuffs and labor and all of the other necessary items that a farmer needs, we are going to lose them very rapidly if we do not do something to see that they get a fair return for their labor on the farm.

Mr. SHUSTER. Will the gentleman yield?

Mr. JONES of Tennessee. I will be glad to yield to the gentleman.

Mr. SHUSTER. I rise to commend the gentleman for his statement and point out to this body that in the Pennsylvania market, in April, 14 dairy producers went out of business, in May, 12 additional dairy producers went out of business, and in June, 10 went out of business. In the United States last month every State in the Union dropped in milk production at a time when milk consumption is increasing. Something has to be done, or we will just not have milk on the table.

Mr. JONES of Tennessee. I thank the gentleman.

Mr. ZWACH. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment offered by the gentleman from Illinois (Mr. FINDLEY).

(Mr. ZWACH asked and was given permission to revise and extend his remarks.)

Mr. ZWACH. Mr. Chairman, we are making a very important decision. As a member of the subcommittee that spent many, many hours on this particular item, and ended up giving it my strong support, I want to very briefly make just a few statements.

First of all, the milk production in our country is down. There is just no question about that. We are starting to open the gates to imports, and these are not imports through honest competition, but subsidized imports from Europe. Europe cannot produce milk as cheaply as the United States, but when the Government subsidizes their out shipments then they can bring it into our country.

Milk is still a very good buy. Why milk is cheaper than colored water that

so many of our people drink. It is much cheaper than beer that has a little hops and a little barley in it; it is a very, very good buy. We are going to need to maintain our daily producers. We need to bring in young men into this hardworking business. It is not easy to be a dairyman, because one is almost slave to time in this business. Every day, 365 days of every year, they are slaves to it. But these people love it. We want to keep them in it, so let us keep our Americans producing our milk.

Mr. FROEHLICH. Mr. Chairman, will the gentleman yield?

Mr. ZWACH. I yield to the gentleman from Wisconsin.

Mr. FROEHLICH. Mr. Chairman, as one Member of the House of Representatives, may I say that I spend most of my weekends back in America's dairyland in Wisconsin, traveling throughout the countryside visiting farmers and cheese factories, and I can say right now that there is a shortage of milk in this country because the cheese factories of Wisconsin cannot get the amount of milk they need to produce what they have been producing, and to cover what the demand is.

If this amendment is not defeated, if the farmers are not guaranteed a long-term return then they are going to continue to sell off their stock and we are going to face liquid milk rationing in this country.

Members of the House, this amendment must be defeated.

Mr. Chairman, I would like to commend the gentleman from Minnesota (Mr. ZWACH), associate with his remarks, and say that the gentleman is correct about the production of milk in Europe. I just talked to a farmer who recently returned from a visit to Europe, and he said that it takes 10 people to run a 100-cow dairy farm in Germany, whereas that gentleman and his wife do it themselves in Wisconsin. Milk from Europe is more expensive. Our milk is less costly because we are more efficient. We can continue and increase our production, but to do this we must promise our dairy farmers a good return.

Mr. Chairman, this amendment should be defeated.

Mr. WAMPLER. Mr. Chairman, will the gentleman yield?

Mr. ZWACH. I yield to the gentleman from Virginia.

Mr. WAMPLER. Mr. Chairman, I want to compliment my colleague, the gentleman from Minnesota, for his very timely and accurate statement.

I would ask the gentleman from Minnesota if it is not a fact that the culling of dairy herds in our Nation today is perhaps at an alltime high?

Mr. ZWACH. The gentleman from Virginia is correct; there is no question but that it is correct.

We cannot replace them fast enough. If we need them, and if this occurs, then we are in serious trouble in America insofar as our dairy production is concerned.

Mr. WAMPLER. And is it not true, if the gentleman will yield further, that it takes from 2 to 5 years to replace one of these cows?

Mr. ZWACH. Yes, it takes about 5 years to produce a milk cow.

Mr. WAMPLER. And is it not also true that because of the attractive price of beef in the market that this brings about an additional incentive for dairy producers to cull their less productive cows?

Mr. ZWACH. That is certainly another factor that is involved.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. WHITTEN. Mr. Chairman, I move to strike the requisite number of words.

(Mr. WHITTEN asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman, I move to strike out the requisite number of words. I have listened to this debate, and the discussion has revolved around those who are engaged in the dairy business.

That has been the situation we have had throughout this debate on the bill for the Department of Agriculture, the agricultural program. I think we make a mistake, as Members of Congress, and I think the press makes a mistake, when we refer to this as a bill for those engaged in agriculture. I think by all manner and means, we must realize that the bill before us is a consumers' bill. Yesterday's press, including the local paper and the New York Times, said we are in for a lasting food shortage in the near future.

Involved here is the question of whether or not we give the consumers something to consume. There is absolutely nothing in the world that will help the consumer if he does not have anything to consume.

I received permission to have included in the RECORD, which the Members will find on page 6006, the law that would exist in the event we fail to pass the agricultural bill, and when I listen to the statements that we have heard here today, it makes me wonder if we would not be better off to revert back to the 1958 act. It was an act that provided for production. There is no way in the world for anyone engaged in agriculture with the present high land values—which have been run up by nonfarmers to a great degree—to pay the type of prices which he has to pay, reflecting the cost of labor and the cost of industry's markup and sell for only what the traffic will bear or what is left of the consumer dollar without going bankrupt. We, the consumers in the long run, are the ones who will do without.

As I tried to point out in my discussion, we have an average of more than 400,000 leaving the farm every year. One cannot hire anyone in my area to go out and do farm labor. They do not care to do that type of labor. As someone has said, it is too hard, too much like work.

I say to the Members here, if they have time, read the remarks on page 6006. They will see a resume of the law, as it would exist if we fail to pass an agricultural act this time. It makes me wonder if perhaps we should not fail. Included in the remarks, the Members will find excerpts from volume 9 of our hearings this year in which I brought forward the 1956 and 1957 hearings of the Department of Agriculture.

Mr. Benson was the Secretary of Agriculture at that time, and the Assistant

Secretary was Mr. Butz. There are those who say that if we went back to the 1958 act that we would have billions and billions of dollars of American commodities in storage. We did not have it then, because of the law; we would not have it now, because of the law. If the Members read my remarks, they will see that Mr. Benson acknowledged that we had a surplus because they would not sell our commodities in world trade at competitive prices. That is in the RECORD.

If the Members read volume 9, they will see that they deliberately held our commodities off the oil markets and left it up to industry, and too frequently, our American industry had investments in South and Central America and around the world. They talk about our State Department and the Secretary of Agriculture holding off from this world trade so they could make fortunes right under it while we held the umbrella.

I say to the Members, we never have had a dime's worth of any commodity as a result of law. We had it as a result of the refusal of the Secretary of Agriculture and of our authorities in the State Department and in the White House to let us sell, as the law contemplated, at competitive prices. Our Nation must return to a land of production.

I know one of the great issues here is food stamps. I know in many consumer areas where there has been extensive use, it has become a red hot political issue. I know it is hard to turn our backs on a program once we start it, but let me say to the Members, those food stamps only have value as long as there is food on the shelves.

(By unanimous consent Mr. WHITTEN was allowed to proceed for 3 additional minutes.)

Mr. WHITTEN. We have made many mistakes in this country, and I hope the Members will give serious thought to what I have said here. After all, I have presided over the committee handling the appropriations for agriculture since 1949, except for 2 years. We need a country that produces. We need to return to the time where, instead of trying to cut back production and squeeze in a higher unit price, we are producing the units and using the Commodity Credit Corporation's charter which authorize sale on the world market for what the traffic will bear. We need to get back to section 32. We need to divert that surpluses to those who receive food stamps, and who will get food stamps, but little food for them if we do not get back to that policy.

We need to return to our former program which will allow us to produce a surplus of commodities to sell in world trade in order that our Nation may earn its dollars back. Certainly if ever any nation needed to earn its dollars back, it is this Nation. I say to you, agriculture production offers our best opportunity.

If Members will read the debate in the RECORD of last Thursday or read the hearings, they will see that where it is alleged, this surplus was built up, because of the law, and shortsighted policies in agriculture. But my friend, the gentleman from California, has not told the Members in the debates we have had over a number of years that with lemons, oranges, and various other citrus fruits

we have had an export subsidy from section 32 funds. Why? Because we cannot pay labor as much in 1 hour as is paid to labor for a full day in Mexico and compete.

Section 32 of the AAA Act states that 30 percent is set aside for price support in perishable areas. Most of the producers of perishable commodities do not have sympathy for the problems the storable commodity producers, producers of commodities which can be carried over for many years, for they have a source of funds provided by section 32 with which they buy up the surplus, strengthen the market, and divert the commodities purchased for domestic uses, such as food stamp recipients.

Mr. TEAGUE of California. If the gentleman will yield, I have to agree with the gentleman that exactly what we have to do is to go back to production. I have always been against soil banks and against set-asides and against whatever we call them if the method is to take good valuable land out of production. It has been one of the principal causes for the shortage of the present-day supply of feed grains and it is causing cattle and hog growers difficulties at the present time.

Mr. WHITTEN. May I say to the gentleman he is confirming the high opinion I have of him.

But I do say that where we have 95 percent of the people in our cities absolutely dependent upon 5 percent for their food production, they must remember that 5 percent has to invest an average of \$100,000 for each farm. They cannot get labor, buy equipment and provide for other essentials when they have to pay the going salary rates for an hour's labor which is the same amount as is paid for a day's labor in Mexico.

I say it is not time to debate about the poor fellow who cannot get off the farm. He can get off quite easily and we may be the ones who take him off. We had better pay attention to the 95 percent of Americans who are going to get hungry if we do not pay an adequate price to promote production.

Mr. DENHOLM. Mr. Chairman, I move to strike the requisite number of words.

Mr. FINDLEY. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

One hundred and fifteen Members are present, a quorum.

Mr. DENHOLM. Mr. Chairman, I rise to oppose the amendment for the reason that it is inconsistent with the theory of the entire bill. It may very well be that all price supports are wrong but we have had them for 40 years. The question is at what level we are going to sustain them—and what level of production we can expect if we don't have them.

The author of the amendment suggests that if we reduce the price support level on milk to 75 percent of parity it will save consumers and taxpayers of this country several million dollars. I ask again, if the author will respond, how much he alleges can actually be saved by reducing the price support level to 75 percent of parity?

Mr. FINDLEY. Here, I used the estimate of the Department of Agriculture that in the first year of the bill the consumers would be saved \$182 million by the passage of my amendment. The first year additional cost to the Government, that is, to the administration of the program in terms of Government cost of various sorts, the first year cost would be just \$54 million, but the 4-year estimate by the Department of increased Government costs over the 4-year life of the bill would be \$520 million, so there is a lot of cost to the public involved in this amendment.

Mr. DENHOLM. Will the gentleman agree with me that whatever is saved in the interest of the consumers and the Government is a cost to the producers?

Mr. FINDLEY. No. Whatever we save to the consumer I think would be translated in some loss of income to the producer, but not 100 percent loss. Certainly, the extra cost to the Government would be spread out over the whole population, not just the producer.

Mr. DENHOLM. That is exactly the issue in controversy. Who is going to carry the burden of all the subsidy payments in the future? It should be shifted to all of the people rather than to less than 5 percent of the people.

Mr. PRICE of Texas. Mr. Chairman, will the gentleman yield further?

Mr. DENHOLM. I yield to the gentleman from Texas.

Mr. PRICE of Texas. Mr. Chairman, I agree with the gentleman. The gentleman from Illinois is talking about what it is going to save the consumer. What will it save the consumer when they go to the milk shelf and there is not any milk there? That is what we are talking about.

Dairymen are not going to produce milk. They will sell their dairy herds. We are going to get to the point in America where we will not be able to buy milk on the shelf.

Mr. DENHOLM. That is exactly right. In the first 5 months of 1973 there were 111,000 dairy cows slaughtered because producers could not afford to feed them and receive the market price level for raw milk. Last year, for the same period of time 45,000 dairy cows were slaughtered. As the supply diminishes, and if the demand remains constant then prices are certain to increase. Therefore, I believe it would be more costly to the consumers.

I think the consumers of this country are growing weary of paying the price twice, once in support prices and/or again at the checkout counter of the grocery stores across the country.

The consumers are weary of that kind of a program. I agree with the gentleman from Mississippi (Mr. WHITTEN) that it is time for full production but we must secure the income of the producer without increasing the cost to the consumer.

The only possible way we can attack inflation in a meaningful way is to reduce the cost of living because organized labor reacts to the cost of living and they will return for a higher minimum wage next year if we enact a food policy that increases the cost of living. I do not know what is required for reasonable people

to come to their senses and understand what is going on in this country. We are charging consumers twice under policies of production controls and price supports—payments for nonperformance and nonproduction and false prices at Government expense.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. DENHOLM. I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, the thrust of this amendment is that the 75-percent parity level which I seek to keep in the law would be a ceiling. Instead, it is a floor. The Secretary could go above 75 percent whenever he believes the supply conditions require.

Mr. DENHOLM. The gentleman from Illinois has had more experience with the Secretaries of Agriculture than I have, but I have seen many of the results of some of their discretionary work. The fact is, they do not raise the price level within the limits of the law. They have not in the past and I have no confidence that they will in the future.

We need full production and security of income for the producers without affecting prices to consumers. I oppose the amendment and it should be defeated.

Mr. TAYLOR of North Carolina. Mr. Chairman, cows are the only creatures in the milk business these days that seem contented. For everyone else the situation threatens chaos. Consumers are irate about rising milk prices. Retailers and processors complain about profit squeezes, and dairy farmers are distressed by spiraling feed price increases, labor shortages, expensive farm machinery and other conditions.

This year the big problem has been the unprecedented increase in feed costs. Heavy rain and storms have not only delayed harvesting of grain but have destroyed much of last year's feed grain crops. Large-scale exports of grains, such as wheat and soybeans, and especially the large sale of wheat to Russia, have led to a shortage of feed grain and forced feed prices to double.

Between December 1971 and December 1972 the cost of hay increased 42 percent. During this same period in North Carolina the cost of cottonseed meal increased 157 percent and the cost of 16 to 18 percent dairy ration increased 74 percent.

Dairy farmers are being driven out of business by an income squeeze. In the mid-fifties there were over 200 grade A dairies in the county in which I live—Buncombe County, N.C. Today there are 74. It is only through improved production methods, automation and better cows that these dairies have remained in business and have been permitted to survive and to grow. Milk is the Nation's most perfect food and in most homes it is a necessity. Yet, our Nation is threatened with a severe milk shortage unless the dairy industry can be made sufficiently attractive and profitable for dairymen to remain in business. There is a real danger that in the years ahead we will face in this Nation a milk shortage, just as we are now facing a gasoline shortage. For these reasons, I must oppose the Findley amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. FINDLEY).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. FINDLEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

~~AMENDMENT OFFERED BY MR. SMITH OF IOWA~~

Mr. SMITH of Iowa. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Strike everything from page 37, line 10, through page 38, line 19 and insert in lieu thereof the following:

"Sec. 807. (a) The Secretary of Agriculture shall revoke the registration of any futures commission merchant or floor broker.

"(1) who accepts any order for the purchase or sale of any commodity for future delivery on any contract market from any person who has been found in violation of the provisions of subsection (b) below, or

"(2) who, himself, is a person who has been found in violation of the provisions of subsection (b) below.

"Any futures commission merchant or floor broker whose registration is revoked in accordance with this subsection shall not be eligible to reapply for registration until twelve months after the date of revocation.

"(b) Any person who sells any commodity for export shall, within forty-eight hours after such sale, inform the Secretary of Agriculture or his designee of (1) the date of such sale, (2) the name and full identity of the commodity sold, (3) the quantity of the commodity sold, (4) the name of the buyer and the country or countries to which the commodity is to be shipped, (5) the sale price, and (6) such other information as the Secretary may by regulation require. The Secretary shall by regulation prescribe the manner in which the above information shall be transmitted. On the first working day following its receipt, such information shall be made available by public announcement and shall remain available for public inspection for a reasonable time thereafter. The Secretary shall prescribe regulations to assure that such information shall be disclosed simultaneously to the public and to prevent any person or firm gaining from premature disclosure.

"(c) For the purposes of this section, the terms 'registration,' 'futures commission merchant,' 'floor broker,' 'contract market' and 'commodity' shall have the same meaning as stipulated in the Commodity Exchange Act as amended, and the authority contained therein shall be used in carrying out the requirements of this section.

"(d) The amendments made by this section shall become effective thirty days after enactment."

Mr. SMITH of Iowa (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SMITH of Iowa. Mr. Chairman, this amendment revokes the right to use the futures market to any grain dealer who fails to report within 48 hours to the CEA sales that he has made to foreign customers.

We heard a lot here during the debate about the Russian grain deal and the wheat sales, but there has not really been anything offered prior to this amendment to help avert the same thing.

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~~The amendment was rejected.~~

~~AMENDMENT OFFERED BY MR. VANIK~~

Mr. VANIK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VANIK: Page 6, line 3, after the period, insert *Provided, however, That such licenses shall not be sold, transferred or assigned.*"

Mr. VANIK. Mr. Chairman, this amendment would simply prohibit those in the dairy business who get import licenses from trading them and developing a right in the license.

It seems to me we went through this whole cycle with the oil import licenses. Import permits became merchantable. They were sold, were transferred, and became of value.

It seems to me as we embark on this kind of a program we ought to insist that the licenses should not be sold, should not be transferred, should not be assigned. In other words, the license should be available only to the person or individual to whom issued.

I hope the committee will accept the amendment.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from Texas.

Mr. POAGE. Of course, I cannot accept the amendment on behalf of the committee, but from what the gentleman has said about it I see no objection to the amendment.

I should like to point out that these licenses are given to this special group of producers for only 30 days. We are not trying to set up something here whereby somebody can sell something.

So far as I am concerned, I am perfectly willing to accept the gentleman's amendment, with the understanding that we will support it unless we find that it has other implications.

Mr. VANIK. That is the only purpose I have. I want to prevent the development of a property right.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from California.

Mr. TEAGUE of California. I am in the same position as the gentleman from Texas (Mr. POAGE). I have no personal objection to the amendment. I have not discussed it with the other members of the committee, but I myself have no objection.

Mr. VANIK. Mr. Chairman, I hope the Committee will adopt the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. VANIK).

The amendment was agreed to.

~~AMENDMENT OFFERED BY MR. FROEHLICH~~

Mr. FROEHLICH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FROEHLICH: On page 41 after line 18, insert the following:

~~EMERGENCY SUPPLY OF AGRICULTURE PRODUCTS~~

Sec. 811(a) Notwithstanding any other provision of law, the Secretary of Agriculture shall, under the provisions of this Act, assist farmers, processors, and distributors in obtaining such prices for agricultural products

that an orderly, adequate and steady supply of such products will exist for the consumers of this nation.

(b) The President shall make appropriate adjustments in the maximum price which may be charged under the provisions of Executive Order 11723 (dated June 13, 1973) or any subsequent Executive Order for any agricultural products (at any point in the distribution chain) as to which the Secretary of Agriculture certifies to the President that the supply of the product will be reduced to unacceptable low levels as a result of the freeze or subsequent modification thereof and that alternative means for increasing the supply are not available.

(c) Under this section, the term "agricultural products" shall include meat, poultry, vegetables, fruits and all other agriculture commodities.

(Mr. FROEHLICH asked and was given permission to revise and extend his remarks.)

Mr. FROEHLICH. Mr. Chairman, the purpose of the bill, H.R. 8860, is "to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices."

I emphasize the words "plentiful supplies."

This particular amendment I have offered would require an adjustment in the price for any agricultural product when the Secretary of Agriculture determines that the current price freeze or future price controls will produce a shortage of that product and there is no alternative means for increasing the supply.

We are facing in this country today, I believe, one of the most critical periods in the modern history of our country so far as food supplies are concerned.

Mr. Chairman, we have seen in the poultry business those who have gotten out of the business by killing their chicks and by dumping their eggs which were in process. One poultry distributor in my district closed his doors last week Friday noon. He distributed 10 million pounds of poultry to northeastern Wisconsin and upper Michigan. He is unable to buy a product and sell it at a profit or at a break-even point. The chickens that he can buy for redistribution cost him more than he can sell them for.

The retail grocers and small butcher shops which he served in northeastern Wisconsin and northern Michigan are this week without poultry on their shelves.

Mr. Chairman, my district also covers a county that grows many cherries. Cherry production this year is down considerably, 105 million pounds less than last year in national cherry production. In Door County where they produced 9 million pounds last year, they are down to 6 million pounds. These producers are considering leaving those cherries on the trees, or they were until last Friday, when the cooperatives that buy the cherries and process them determined that they were going to pay 10 cents above what they could pay under the freeze in hopes that they will be able to raise their price when it comes to sell those cherries. So they are going to be picked. But those processors are now in danger of losing up to 8 cents a pound unless there is an adjustment in the price freeze. Until Friday it looked as though

there were going to be no cherries picked in Door County.

We all know the story about beef. We have talked about it; we have heard other speakers who have debated this bill speak about it. There has been closing after closing after closing of slaughterhouses. Here is just a partial list of some of the closings:

Hartford, Conn.; Missouri, Omaha, Nebr.; Quincy, Fla.; Omaha, Nebr.; Council Bluffs, Iowa; Harlan, Iowa; Florence Ala.; Owensboro, Ky.; Baltimore, Md.; Scranton, Pa.; Utica, N.Y.; Elizabeth, N.J.; Wichita, Kans.; Chicago, Ill.; Cozad, Nebr.; Sterling, Colo.; Independence, Iowa; Vinton, Iowa; West Union, Iowa; Philadelphia, Pa.; York Pa.; Lebanon, Pa.; Bridgeport, Conn.; Philadelphia, Pa.; Detroit, Mich.; Little Rock, Ark.; Essex, Conn.; Detroit, Mich.; Cushing, Okla.; Okmulgee, Okla.; Pine Bluff, Ark.; and Omaha, Nebr.

There are others which have been closed since this list was compiled.

Mr. Chairman, in my district one of the largest packers east of the Mississippi laid off 15 percent of his employees and put off indefinitely a \$6-million expansion that would have doubled his work force of 600 in the State of Wisconsin because of the effects of the price freeze on agriculture.

It is not just the 60-day freeze we are talking about; it is the freeze that took effect on March 29.

Mr. Chairman, this amendment addresses itself also to continuing price and economic controls that will lead to critical shortages in this country.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. FROEHLICH) has expired.

(By unanimous consent, Mr. FROEHLICH was allowed to proceed for 1 additional minute.)

Mr. FROEHLICH. Mr. Chairman, in closing I would like to say that we must put upon the Secretary of Agriculture the responsibility to watch critically the supply of food and fiber. When any factor, particularly our economic controls, force a critical shortage which will lead people in this country to stand in line for food and which will lead to the rationing of food, then it is incumbent upon the Secretary to tell the President and it is incumbent upon the President to adjust the policy.

Mr. Chairman, that is what this amendment addresses itself to. I trust the amendment will be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. FROEHLICH).

The amendment was agreed to.

~~AMENDMENTS OFFERED BY MR. VANIK~~

Mr. VANIK. Mr. Chairman, I offer several amendments, and I ask unanimous consent that they may be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. VANIK: Page 11, strike out lines 1 and 2 and redesignate the following clauses accordingly, and on page 13, line 14, strike out "(less imports)".

and on page 13, line 15, strike out "and for export".

And on page 23, line 17, strike out "(less", on line 18, strike out "imports)", and on line 19, strike out "and for export".

Mr. VANIK. Mr. Chairman, the amendments that I have offered and which have just been read en bloc are directed, one to the wheat section, and the other to the feed grains section of the bill.

The purpose of the amendments is to limit the taxpayer support of acreage allotments to that part of production designed for domestic use.

I believe that we must provide inducements and encouragement for the production of food and feed grains and essential fibers for domestic needs. But agriculture is now a mature industry, and I do not think that taxpayers subsidies should be used to provide for payments for that part of production which is designed for the export market. We do not have this kind of a program for automobiles or for machine tools or other things. It seems to me, if we are going to develop a viable program of designing our domestic agricultural program to provide food and fibers for the American people and if they are going to support it, they should not be called upon to support by taxpayer support that part of it that goes to the export program.

Mr. BERGLAND. Will the gentleman yield?

Mr. VANIK. I am glad to yield to the gentleman.

Mr. BERGLAND. I would be curious to know if the gentleman's amendment only goes to the export subsidies that have been used.

Mr. VANIK. No. It applies to the limitations on acreage allotments. To that part of it.

Mr. BERGLAND. I thank the gentleman.

Mr. VANIK. Because of the high target prices proposed by this bill, we could be jeopardizing our advantage in agricultural exports. In other words, by minimizing the cost of this bill to the taxpayer we can expect that there will be every effort to curtail production through acreage set-asides. This will increase prices not only for American consumers but for foreigners, and therefore our commodities will be less used. Foreign nations will buy their wheat and feed grains from others before they buy ours. The solution is to provide support to insure production for domestic consumption. Those farmers who want to enter the export trade to sell to foreign markets should do so without taxpayer support and without acreage limitations.

The amendments I have offered simply seek to limit the system of price and taxpayer support to domestic needs. By eliminating the provision for allotments for anticipated exports we will remove the taxpayer subsidy for foreign sales and free the Treasury from being subject to weather conditions in Russia, China, India, Australia, and the rest of the world. The taxpayers of the United States and our Treasury should be liable only for our domestic needs. We must not go into the business of subsidizing export sales to the entire world.

(Mr. VANIK asked and was given per-

mission to revise and extend his remarks.)

Mr. FOLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment is perhaps well intended, but its effect will be to prevent farmers from cooperation in the wheat programs entirely. The gentleman's amendment does not touch loans, it refers to the allotment under the act and to target prices.

The price of wheat today is substantially above the target price, this has been the case for many months. Wheat has been selling for as much as \$3 a bushel. The present law that we want to suspend by passing this bill, guarantees the wheat producer for the domestic portion of the crop, the price of \$3.40 a bushel. That is a much higher sum than the target price of \$2.05 set by this bill. It is in the interest of the country and the consumer to produce a large amount of wheat and feed grains for both domestic needs and support. We realize \$11 billion a year in favorable balance of payments as the result of agricultural exports. Much of that is due to our grain production.

To shrink the allotment a wheat producer can plant is simply not in our best national interest. Any cooperator who would stay in such a program would have a substantially reduced allotment. Is this a time to reduce allotments? The many who would leave the program would be able to plant whatever they wanted to plant.

Furthermore the amendment offered by the gentleman from Ohio (Mr. VANIK) is not going to save the Treasury any money because, as far as the Department of Agriculture or anybody can foresee, there will be no payments made to the wheat growers in the next year or two. Only a disastrous, completely unexpected and improbable drop in the price of wheat could change the situation.

With all due respect to my good friend, the gentleman from Ohio, we are discussing a highly complicated, technical area and I regret to say that the gentleman is to some extent shooting from the hip.

Mr. BERGLAND. Mr. Chairman, would the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Minnesota.

Mr. BERGLAND. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I am rather confused by the amendment offered by the gentleman from Ohio. Three-quarters of this year's wheat crop will be exported. Just about half of the soybean crop will be exported. One-fourth of our feed grains will be exported. In total this represents between \$12 and \$13 billion that will come back into the American economy.

If the amendment offered by the gentleman from Ohio were adopted, would we be in the position where we would not be able to produce and sell grains overseas for dollars so desperately needed to help solve our balance of payments problem.

Mr. FOLEY. As I understand the amendment offered by the gentleman from Ohio (Mr. VANIK) is that he believes his amendment would satisfy the

needed production for domestic use in our country, some 535 million bushels. And save costs in operating the program.

Mr. VANIK. Mr. Chairman, if the gentleman will yield, the gentleman from Washington (Mr. FOLEY) is correct. I relate to the acreage allotment. But I do wish to point out that the \$11 to \$12 billion in export sales that are supposed to have done so much with respect to our balance of payments cost the consumers of America an additional \$20 billion. So it would seem to me it is not a very good bargain. It has not worked out very well.

Mr. FOLEY. I will advise the gentleman from Ohio that no export subsidy has been registered since last August. The export subsidy program has been suspended for the foreseeable future. The target prices set in this bill are so far below the current market prices that this government is unlikely to make any payments to cooperators or nobody else for the next 2 years. The only effect that this amendment could have would be either to reduce the amount of wheat planted by a cooperator or encourage him to leave the program.

How is it in the interest of the consumer, how is it in the interest of the country, and how is it in the interest of export sales to reduce the wheat allotment? Each Member who appears in the well says we want production. Yet this is an amendment that would have only one effect, and that would be almost surely to reduce production.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Ohio (Mr. VANIK).

The amendments were rejected.

AMENDMENT OFFERED BY MR. FINDLEY

Mr. FINDLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY: On page 5, strike lines 14 through 25, and on page 6, strike lines 1 through 19; and

Page 6, line 21, change "SEC. 206" to "SEC. 205".

(Mr. FINDLEY asked and was given permission to revise and extend his remarks.)

Mr. FINDLEY. Mr. Chairman, farm programs over the years have contained some very novel items. In fact, they have contained what I would term to be outrageous items, but this surely can be classified as the worst outrage of all. I invite the Members' attention to the language that begins on line 19 of page 5:

The President is authorized to provide that dairy products may be imported only by or for the account of a person or firm to whom a license has been issued by the Secretary of Agriculture.

Then, listen to the next sentence:

In issuing a license for dairy products not currently being imported but sought to be imported under this section during any period after the enactment of the Agriculture and Consumer Protection Act of 1973, the Secretary shall make licenses available for a thirty-day period before issuing licenses to other applicants to domestic producers and processors. * * *

I do not think ever in history has legislation of this nature been brought forth seriously for the consideration of this body. I surely hope not.

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My fear is not so much that this language will be acted upon by the man who is now Secretary of Agriculture, and, frankly, the saving grace lies in that first sentence that, "The President is authorized." He may or may not provide this licensing system. Nevertheless, it provides that if he does establish a licensing system, then he shall make licenses available ahead of any other applicants to the processors and the producers of dairy products. That is like putting the fox in charge of the chicken coop. It is like letting General Motors or Ford Motor Co. be in complete charge of how many Volkswagens or how many Toyotas or how many Datsuns are to be imported into this country, and on what terms.

As I say, I really do not think our Secretary of Agriculture would be so unwise as to utilize the licensing authority embodied in this bill, but it would be a terrible mistake if by putting this into legislation it should become the precedent for other similar measures on import control—and who knows who will be Secretary of Agriculture in the future? He might actually use this authority.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from California.

Mr. TEAGUE of California. I do not think the gentleman could possibly be more right. This strikes out competition. It is an unfair view. I certainly support the gentleman's amendment. I have hope that the chairman—but I have not discussed it with him—will see it in the same light.

Mr. FINDLEY. I thank the gentleman from California.

I will add the existing law does give the President the power to regulate the level of imports, but the regulation is in his hands, not in the hands of the dairy cooperatives—the producers and the processors—who are already a bit muscle-bound and at times arrogant. I do not think it is good policy for us to open the way for these interests to be put in charge of the level of dairy importation or the conditions under which these imports might enter the country.

One of the very few tools that exists now in the hands of the President to protect the interests of the consumer in the question of dairy supplies and prices is the authority to regulate the level of imports. This language is a poor addition to that Presidential authority, and I urge support of my amendment.

Mr. STEIGER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. I appreciate the gentleman's yielding.

Having opposed the gentleman from Illinois on his earlier amendment on the level of price support for dairy products, I must say I am a little bit torn when it gets to this question. From my perspective, we do face a very serious problem in what has happened in the last 6 or 7 months in dairy imports. I am disturbed, frankly, that the walls have come down to the extent which they have come in terms of allowing new imports to come

into this country and, therefore, even further jeopardizing the assurance the dairy farmer has in terms of production of milk.

But I think the gentleman from Illinois on balance is correct in his analysis of the mischief in the provision in the committee bill.

However, I think it is fine if we at some point decided we wanted a system of licensing, if that were the decision that was to be made, but to do it in the manner this provision does it seems to me would not be in the longrun interest of the dairy farmer or of those who eat the good dairy products. Therefore, I support the gentleman's amendment.

Mr. JONES of Tennessee. Mr. Chairman, I rise in opposition to the amendment.

My good friend, the gentleman from Illinois, is a most persuasive legislator Mr. Chairman, much more so than I. He is a member of the Dairy and Poultry Subcommittee, of which I am chairman, and he has made a good member. We do have our disagreements, however, on some portions of the legislation which has been proposed. The majority of the committee felt and the full committee that the dairy import licenses section as we have written it is as it should be, the President being authorized to provide that dairy products be imported with the accountable office or firm to whom the license has been issued by the Secretary of Agriculture.

I have faith in the Secretary of Agriculture and believe he knows who is best fitted to be given licenses. It seems to me that the argument that has been put forth here is not valid, because who knows better than the domestic producers and processors who agree to import such products. We feel that someone who is professional in this business should be more able to accept these licenses and to be given these licenses than anyone else.

For this reason I oppose the amendment offered by my good friend, the gentleman from Illinois, and ask that the amendment be voted down.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. JONES of Tennessee. I yield to the gentleman from Texas.

Mr. POAGE. Mr. Chairman, is it not a fact that this bill from the other body contains a provision for discretion on the part of the President up to 2 percent? Is that not correct?

Mr. JONES of Tennessee. That is correct, Mr. Chairman.

Mr. POAGE. And that in an effort to try to get a bill that would receive support of the administration, of which the gentleman from Illinois is a part, in an effort to get the support of the administration we felt that we should give a larger degree of leeway to the Secretary of Agriculture, and we gave that larger degree of leeway the Secretary asked for. Then in order to see that these producers and producers' organizations were not destroyed by nonproducing organizations, the Swiss organizations and Dutch organizations and foreign organizations as well as American, in order to see that they were not de-

stroyed we simply said that during the first 30 days under which we gave preference to these people who are in the business of producing milk, they would agree to bring it in. We did not say they should get the license and not bring in the milk. We said they must agree to bring in the milk and only for 30 days would they have the preference and they would bring it in with a preference provision. We adopted the amendment offered by the gentleman from Ohio which I think was proper which said they could not speculate on these licenses.

The only thing it does is it says the American producer rather than the international or foreign corporations and for the first 30 days they will have enough to meet their requirements, because anyone who is in the dairy manufacturing business needs imports, and that was the purpose of the whole thing. But we do not put the limitations on for weeks. In an effort to be fair to American producers we tried to insure the American producers would be able to bring in everything they needed. Is that not correct?

Mr. JONES of Tennessee. That is correct.

Mr. POAGE. We did that in an effort to have a provision to which most people interested in agriculture would not object, but of course there are those who find objection to almost anything our committee does.

They feel that it is somehow helpful on agricultural matters to come out here and delay things and try to affect the passage of legislation brought out by the committee. I think, after all, we have taken pretty good care of the consumer.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. The amendment was rejected.

AMENDMENT OFFERED BY MR. VANIK

Mr. VANIK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VANIK: Page 32, immediately after line 22, insert the following new paragraph:

(24) Section 610 is amended by inserting "(a)" immediately after "SEC. 610." and by inserting at the end thereof the following new subsection:

"(b) In carrying out its powers and duties under the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.) the Commodity Credit Corporation may not make or provide for payments of export subsidies or similar payments to exporters of commodities."

Redesignate the following paragraphs accordingly.

PARLIAMENTARY INQUIRY

Mr. TEAGUE of California. Mr. Chairman, am I not correct that this amendment comes within the section which was stricken from the bill?

The CHAIRMAN. The gentleman from California is correct. It comes within the provisions of the bill that have been stricken.

PARLIAMENTARY INQUIRY

Mr. VANIK. Mr. Chairman, a parliamentary inquiry.

HOUSE PASSED H.R. 8860

AND INSERTED THAT LANGUAGE

IN S. 1888

July 19, 1973

na desire to be heard on the point of order?

Mr. MIZELL. Mr. Chairman, this language was in the committee bill that was reported to the House, and the Foley substitute eliminated this section of the bill, and so for that reason, I offer the amendment at this time, and I think it is germane to the bill since this bill does cover a number of subjects.

Mr. STEIGER of Wisconsin. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will hear the gentleman.

Mr. STEIGER of Wisconsin. Mr. Chairman, the rule under which this legislation came to us precluded a point of order being raised against the Mizell amendment, the one that was contained in the original Agriculture Committee bill since this bill was a clean bill reported by the Committee on Agriculture.

What we are now dealing with is a situation in which this is an amendment to a substitute.

The subject matter covered by the amendment is clearly not germane to the jurisdiction of the Committee on Agriculture, since it is covered by the Committee on Education and Labor, and thus I believe the point of order ought to be sustained by the Chair.

Mr. MIZELL. Mr. Chairman, may I be heard further on the point of order?

The CHAIRMAN. The Chair will hear the gentleman.

Mr. MIZELL. Mr. Chairman, I believe the rule which we were operating under still applied to this amendment, and if that is the case, then I believe this amendment would clearly be in order to this substitute.

The CHAIRMAN (Mr. NATCHER). The Chair is ready to rule.

The Chair advises the gentleman from North Carolina (Mr. MIZELL) that as far as the rule is concerned, it has no relevance concerning the point of order at this time. It is true that the content is the amendment as offered by the gentleman from North Carolina (Mr. MIZELL) on the original bill, but the amendment before the House at this time is in the nature of a substitute.

Therefore, the Chair rules that the point of order must be sustained.

AMENDMENT OFFERED BY MR. STEELE TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. FOLEY

Mr. STEELE. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. STEELE to the amendment in the nature of a substitute offered by Mr. FOLEY: Page 54, line 7, insert the following:

(c) Insert at the end of section 3(e) of the Food Stamp Act of 1964 the following new sentence: "Residents of federally subsidized housing for the elderly, built under either section 202 of the Housing Act of 1959 (12 U.S.C. 1701q), or section 236 of the National Housing Act (12 U.S.C. 1715z-1) shall not be considered residents of an institution or boarding house for purposes of eligibility for food stamps under this Act."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut (Mr. STEELE) to

the amendment in the nature of a substitute offered by the gentleman from Washington (Mr. FOLEY).

The amendment to the amendment in the nature of a substitute was agreed to.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Washington (Mr. FOLEY) as amended.

The amendment in the nature of a substitute, as amended, was rejected.

Mr. ANDERSON of California. Mr. Chairman, the Agriculture Act of 1973, H.R. 8860, is going to cost the public enormous sums—either as consumers or as taxpayers.

This proposal establishes record guaranteed prices which, if not received by the farmer in the marketplace, will be paid by the taxpayer.

As a result, the public will be faced with either an enormous grocery bill, or an outrageous tax bill.

How does this work?

First, under the bill, milk producers are guaranteed \$5.61 per hundredweight of milk. Currently, they are guaranteed \$5.29 per hundredweight, and the market price—what the processor is willing to pay—is \$5.49 per hundredweight as late as April 15, 1973.

Thus, to insure that the dairy farmer receives \$5.61 for his milk, the taxpayer will have to pay the difference. And since approximately 120 billion pounds of milk are produced annually, we are talking about huge subsidies.

Wheat, another staple in a nutritious diet, is also controlled under this proposal, and a price of \$2.05 per bushel is guaranteed wheat producers—a 24-percent increase over 1972, when the average annual price received by farmers was \$1.67 per bushel.

While the Agriculture Department predicts that wheat prices in the market will remain high—at \$2.15 per bushel—if they are wrong and prices drop, the taxpayer will pay \$15 million for every drop in price of a penny below \$2.05.

Under this bill, corn producers are guaranteed \$1.38 per bushel. The present price in the marketplace is \$1.43 per bushel, but only last year the average price was \$1.29 per bushel. And in 1971, it was \$1.08 per bushel.

Thus, if the price of corn drops below the guarantee—down to \$1.37 per bushel—the taxpayer will make up the difference, to the tune of a penny a bushel on each of the 6 billion bushels of corn, or \$60 million.

To summarize, the American people will be forced to pay. The only question is, out of which pocket—the grocery pocket or the tax pocket?

According to the Department of Agriculture, under the committee recommendation, the taxpayer will pay in 1974, \$812 million to wheat growers; \$520 million to corn and feed grain producers; and \$166 million to the dairy farmers.

Surely there is a better way to encourage farmers to produce food and fiber, allowing for a reasonable profit, and at prices that Americans can afford to pay.

The place to start is by eliminating the "set aside" requirements which keep

valuable land out of production. This practice, which is required for eligibility under several of the subsidy programs, permitted the Agriculture Department to pay farmers to idle a chunk of real estate nearly the size of the State of Colorado last year.

Requiring farmers to idle land can only result in a limited supply of food for the table, and cloth for the mills. This is unconscionable, especially at a time when people in our country are denied adequate nourishment, when grocery prices are sky high, and when a hungry world is vying to buy all we can produce.

Second, the one ray of hope in this proposal is the provision which we adopted prohibiting any farm operator from collecting more than \$20,000 in Government subsidies. Last year, 18,585 operations received subsidies totaling \$655.8 million in excess of \$20,000. And for what? According to Secretary of Agriculture Earl Butz—

The payment is almost entirely, if not entirely, an income supplement because you get it without really doing anything to earn it.

However, that ray of hope grows much dimmer when we examine the "cotton loophole" which is big enough to drive a combine through. The bill before us today eliminates the subsidy limitation affecting the cotton growers. The 1970 law which limited Government payments to \$55,000 per person does not even apply. In fact, there would be no limitation whatever.

In other words, agribusinesses, such as the California firm which collected \$4.4 million in cotton subsidies in 1970, would be permitted to return to their old practice of collecting huge Government subsidies.

In addition, this proposal establishes a minimum Government loan rate of 41.5 cents per pound of cotton. In 1972, market prices were not even close to that—the producers received less than 27 cents a pound. In effect, if that price remained, the taxpayer would chip in 14.5 cents for every pound of cotton produced.

Since expected production for 1973-74 is almost 12,000,000 bales—at 480 pounds per bale—simple arithmetic shows that the cotton program could cost the taxpayer an estimated \$826.5 million annually if prices leveled at the 1972 prices.

According to the Department of Agriculture, in 1972 it cost a cotton producer approximately 28 cents to produce 1 pound of cotton. Thus, he may be assured of a 13-cent-a-pound profit on every pound of cotton grown. That amounts to a \$62 profit per bale of cotton.

At these rates, why grow corn, or why raise cattle? For that matter, why drive a car or work in a factory?

Mr. Chairman, the small farmer works hard and receives little monetary reward for his efforts. He should be encouraged to stay on the land and continue to work the fields. But, this program really benefits the rich and allows them to grab up even more land and, thus, drive the marginal farmer off the land.

Mr. Lent for, with Mr. Gaydos against
Mr. Frelinghuysen for, with Mr. Danielson
against.
Mr. Landgrebe for, with Mr. Reid against.

Until further notice:

Mr. Fisher with Mr. Blatnik.

Mrs. Griffiths with Mr. Rhodes.

Mr. Patman with Mr. Gubser.

Mr. Mills of Arkansas with Mr. Bell.

Mr. Talcott with Mr. Minshall of Ohio.

Mr. Owens with Mr. Moorhead of California.

Mr. Wright with Mr. de la Garza.

Mr. Mollohan with Mr. Stokes.

The result of the vote was announced
as above recorded.

The SPEAKER. The question is on the
passage of the bill.

RECORDED VOTE

Mr. GERALD R. FORD. Mr. Speaker,
on that I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic de-
vice; and there were—ayes 226, noes 182,
not voting 25, as follows:

[Roll No. 363]

AYES—226

Abdnor	Fulton	Melcher
Alexander	Gettys	Metcalfe
Anderson, Ill.	Gibbons	Mezvinsky
Andrews, N.C.	Ginn	Miller
Andrews, N. Dak.	Gonzalez	Mink
Annunzio	Gray	Mitchell, N.Y.
Arends	Gross	Mizell
Armstrong	Gunter	Montgomery
Aspin	Guyer	Moorhead, Pa.
Baker	Hammer- schmidt	Mosher
Beard	Hansen, Idaho	Murphy, Ill.
Bergland	Hansen, Wash.	Murphy, N.Y.
Bevill	Harsha	Natcher
Blaggi	Harvey	Nelsen
Bingham	Hawkins	Obey
Boggs	Hays	O'Brien
Boiland	Hebert	O'Neill
Bolling	Henderson	Passman
Bowen	Hillis	Pepper
Breaux	Hogan	Perkins
Breckinridge	Hollifield	Pickle
Brinkley	Holt	Poage
Brooks	Huber	Podell
Brotzman	Hudnut	Preyer
Brown, Calif.	Hungate	Price, Ill.
Brown, Ohio	Ichord	Rice, Tex.
Broyhill, N.C.	Jarman	Quie
Buchanan	Johnson, Calif.	Quillen
Burke, Fla.	Johnson, Colo.	Rallsback
Burleson, Tex.	Jones, Ala.	Randall
Burlison, Mo.	Jones, N.C.	Rarick
Burton	Jones, Okla.	Reuss
Byron	Jones, Tenn.	Roberts
Camp	Kastenmeier	Roncalio, Wyo.
Carney, Ohio	Kazen	Rooney, Pa.
Carter	Keating	Rose
Casey, Tex.	Ketchum	Rostenkowski
Cederberg	Kluczynski	Roush
Chappell	Kuykendall	Roy
Clausen, Don H.	Landrum	Royal
Cochran	Latta	Runnells
Collier	Leggett	Ruppe
Collins, Ill.	Lehman	Ruth
Coughlin	Litton	Scherle
Culver	Long, La.	Sebellus
Davis, Ga.	Lott	Shipley
Davis, S.C.	Lujan	Shriver
Delaney	McClory	Shuster
Denholm	McCloskey	Sikes
Dent	McCormack	Sisk
Dickinson	McDade	Skubitz
Diggs	McFall	Smith, Iowa
Dingell	McKey	Smith, N.Y.
Donohue	McSpadden	Snyder
Dorn	Madden	Spence
Downing	Madigan	Stark
Duncan	Mahon	Steed
Edwards, Calif.	Mallery	Steelman
Feeh	Mann	Steiger, Wis.
Evans, Colo.	Martin, Nebr.	Stephens
Ewings, Tenn.	Martin, N.C.	Stubblefield
Flood	Mathias, Calif.	Stuckey
Flynt	Mathis, Ga.	Symington
Foley	Matsunaga	Taylor, Mo.
Mountain	Mayne	Taylor, N.C.
Frenzel	Meeds	Teague, Tex.

Thompson, N.J.	Waggoner	Yatron
Thomson, Wl.	Walsh	Young, Alaska
Thone	Wampler	Young, Ga.
Thornton	White	Young, S.C.
Towell, Nev.	Whitten	Young, Tex.
Ullman	Wilson	Zablocki
Vander Jagt	Charles, Tex.	Zwach
Vigorito	Winn	

NOES—182

Abzug	Ford, Gerald R.	Powell, Ohio
Adams	Ford,	Pritchard
Addabbo	William D.	Rangel
Anderson, Calif.	Forsythe	Rees
Archer	Fraser	Regula
Ashbrook	Frey	Riegle
Ashley	Gaydos	Rinaldo
Badillo	Giaimo	Robinson, Va.
Bafalis	Gilman	Robison, N.Y.
Barrett	Goldwater	Rodino
Bennett	Goodling	Roe
Biesler	Grasso	Rogers
Blackburn	Green, Oreg.	Roncallo, N.Y.
Brademas	Green, Pa.	Rosenthal
Brasco	Grover	Rousselot
Bray	Gubser	Ryan
Broomfield	Gude	St Germain
Brown, Mich.	Haley	Sandman
Broyhill, Va.	Hanley	Sarasin
Burgener	Hanna	Sarbanes
Burke, Calif.	Hanrahan	Satterfield
Butler	Harrington	Saylor
Carey, N.Y.	Hastings	Schneebeli
Chamberlain	Hechler, W. Va.	Schroeder
Chisholm	Heckler, Mass.	Slack
Clancy	Heinz	Staggers
Clark	Helstroski	Stanton
Clawson, Del	Hicks	J. William
Clay	Hinshaw	Stanton,
Cohen	Holtzman	James V.
Collins, Tex.	Horton	Steele
Conable	Hosmer	Steiger, Ariz.
Conlan	Howard	Stratton
Conte	Hunt	Studds
Conyers	Hutchinson	Sullivan
Corman	Johnson, Pa.	Symms
Crane	Jordan	Tiernan
Cronin	Karth	Treen
Daniel, Dan	Koch	Udall
Daniel, Robert W., Jr.	Kyros	Van Deerlin
Daniels, Dominick V.	Long, Md.	Vanik
Davis, Wis.	McEwen	Veysy
Dellenback	McKinney	Waldie
Dellums	Macdonald	Ware
Dennis	Mailliard	Whalen
Derwinski	Maraziti	Whitehurst
Devine	Mazzoli	Widnall
Drinan	Michel	Williams
Dulski	Milford	Wilson, Bob
du Pont	Minish	Wilson,
Eckhardt	Mitchell, Md.	Charles H., Calif.
Edwards, Ala.	Devine	Moss
Eilberg	Drinan	Nedzi
Erlenborn	Dulski	Nichols
Eshleman	du Pont	Nix
Fascell	Eckhardt	O'Hara
Findley	Edwards, Ala.	Edilberg
Fish	Erlenborn	Parris
	Eshleman	Patten
	Fascell	Pettis
	Findley	Peyser
	Fish	Pike

NOT VOTING—25

Bell	King	Patman
Blatnik	Landriebe	Reid
Danielson	Lent	Rhodes
de la Garza	Mills, Ark.	Rooney, N.Y.
Fisher	Minshall, Ohio	Stokes
Flowers	Moorhead,	Talcott
Fluqua	Calif.	Wiggins
Griffiths	Calif.	Wright
Kemp	Owens	

So the bill was passed.

The Clerk announced the following
pairs:

On this vote:

Mr. Fluqua for, Mr. Kemp against.
Mr. Danielson for, Mr. Rooney of New
York against.

Mr. Fisher for, Mr. Stokes against.
Mr. Wright for, Mr. Talcott against.

Mr. Blatnik for, Mr. Landriebe against.
Mr. Patman for, Mr. Lent against.

Mr. de la Garza for, Mr. Mollohan against.
Mr. de la Garza for, Mr. Mollohan against.

Until further notice:

Mrs. Griffiths with Mr. Bell.
Mr. Reid with Mr. Minshall of Ohio.

Mr. Owens with Mr. Moohead of California.
Mr. Mills of Arkansas with Mr. King.
Mr. Flowers with Mr. Wiggins.

The result of the vote was announced
as above recorded.

A motion to reconsider was laid on the
table.

The SPEAKER. Pursuant to the pro-
visions of House Resolution 478, the
Committee on Agriculture is discharged
from the further consideration of the bill
S. 1888.

The Clerk read the title of the Senate
bill.

MOTION OFFERED BY MR. POAGE

Mr. POAGE. Mr. Speaker, I offer a
motion.

The Clerk read as follows:

Mr. POAGE moves to strike out all after the
enacting clause of the bill S. 1888, and to
insert in lieu thereof the provisions of H.R.
8860, as passed, as follows:

That the Agricultural Act of 1970 is
amended as follows:

TITLE I is amended to read as follows:

"TITLE I—PAYMENT LIMITATION

"SEC. 101. Notwithstanding any other pro-
vision of law—

"(1) The total amount of payments which
a person shall be entitled to receive under
one or more of the annual programs estab-
lished by titles IV, V, and VI of this Act for
the 1974 through 1978 crops of the commo-
dities shall not exceed \$20,000.

"(2) The term 'payments' as used in this
section includes all price support payments,
set-aside payments, diversion payments, and
resource adjustment payments but does not
include loans or purchases, or any part of
any payment which is determined by the
Secretary to represent compensation for pub-
lic access for recreation.

"(3) If the Secretary determines that the
total amount of payments which will be
earned by any person under the program in
effect for any crop will be reduced under this
section, the set-aside acreage for the farm
or farms on which such person will be shar-
ing in payments earned under such program
shall be reduced to such extent and in such
manner as the Secretary determines will be
fair and reasonable in relation to the amount
of the payment reduction.

"(4) (a) In any case in which the owner or
operator of a farm leases any portion of the
farm to one or more persons, the payment
limitation applicable to such person as pre-
scribed by this section, shall be reduced in
the same proportion as the allotment re-
maining on the farm bears to the total allot-
ment prior to such lease: *Provided*, That the
payment limitation shall also be reduced on
the leased portion of the farm in proportion
to the allotment accredited to such portion
if the lessee is a member of the lessor's family
or is a corporation in which the lessor or a
member of his family is a stockholder, or a
partnership in which the lessor or a member
of his family is a partner.

"(b) In any case which the owner or op-
erator of a farm sells or leases any portion of
the acreage allotment for the farm to one
or more persons, the payment limitation
prescribed by this section shall apply in the
same manner as if the lessor or seller had
not leased or sold the acreage allotment.

"(5) The Secretary shall issue regulations
defining the term 'person' and prescribing
such rules as he determines necessary to as-
sure an effective and economical application
of such limitation: *Provided*, That the pro-
visions of this Act which limit payments to
any person shall not be applicable to lands
owned by States, political subdivisions, or
agencies thereof, so long as such lands are
farmed primarily in the direct furtherance of
a public function, as determined by the
Secretary."

DAIRY PROGRAM

Milk Marketing Orders

(2) Section 201 is amended by—

(A) amending section 201(e) by striking out "1973" and inserting "1977", and by striking out "1976" and inserting "1980"; and

(B) adding at the end thereof the following:

"(f) The Agricultural Adjustment Act as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended by:

"(1) striking the period at the end of subsection 8c(17) and adding in lieu thereof the following: ': *Provided further*, That if one-third or more of the producers as defined in a milk order apply in writing for a hearing on a proposed amendment of such order, the Secretary shall call such a hearing if the proposed amendment is one that may legally be made to such order. Subsection (12) of this section shall not be construed to permit any cooperative to act for its members in an application for a hearing under the foregoing proviso and nothing in such proviso shall be construed to preclude the Secretary from calling an amendment hearing as provided in subsection (3) of this section. The Secretary shall not be required to call a hearing on any proposed amendment to an order in response to an application for a hearing on such proposed amendment if the application requesting the hearing is received by the Secretary within ninety days after the date on which the Secretary has announced his decision on a previously proposed amendment to such order and the two proposed amendments are essentially the same.'

"(2) inserting after the phrase 'pure and wholesome milk' in section 8c(18) the phrase 'to meet current needs and further to assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs'."

Milk Price Support, Butterfat Price Support Suspension

(3) Section 202 is amended by—

(A) striking the introductory clause which precedes subsection (a);

(B) effective April 1, 1974, inserting in subsection (b) before the period at the end of the first sentence in the quotation the following: "of pure and wholesome milk to meet current needs, reflect changes in the cost of production, and assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs"; and

(C) inserting in subsection (b) in the first sentence "80 per centum" in lieu of "75 per centum".

Veterans Hospitals

(4) Section 203 is amended by striking out "1973" and inserting "1977".

Dairy Indemnity Program

(5) Section 204 is amended by—

(A) striking out "1973" and inserting "1977"; and

(B) striking subsection (b) and substituting therefor the following:

"(b) Section 1 of said Act is amended to read as follows:

"SECTION 1. The Secretary of Agriculture is authorized to make indemnity payments for milk or cows producing such milk at a fair market value, to dairy farmers who have been directed since January 1, 1964 (but only since the date of enactment of the Agriculture Act of 1973 in the case of indemnity payments not authorized prior to such date of enactment), to remove their milk, and to make indemnity payments for dairy products at fair market value to manufacturers of dairy products who have been directed since the date of enactment of the Agricultural Act of 1970 to remove their dairy products from commercial markets because of residues of chemicals registered and approved

for use by the Federal Government at the time of such use. Any indemnity payment to any farmer shall continue until he has been reinstated and is again allowed to dispose of his milk on commercial markets."

(6) Title II is amended by adding at the end thereof the following:

"Dairy Import Licenses

"SEC. 205. Section 22 of the Agricultural Adjustment Act (7 U.S.C. 624) is amended by adding at the end thereof the following:

"“(g) The President is authorized to provide that dairy products may be imported only by or for the account of a person or firm to whom a license has been issued by the Secretary of Agriculture. In issuing a license for dairy products not currently being imported but sought to be imported under this section during any period after the enactment of the Agriculture Act of 1973, the Secretary shall make licenses available for a thirty-day period before issuing licenses to other applicants to domestic producers and processors who agree to import such dairy products: *Provided*, That such licenses shall not be sold, transferred or assigned. For purposes of this subsection, dairy products include (1) all forms of milk and dairy products, butterfat, milk solids-not-fat, and any combination or mixture thereof; (2) any article, compound, or mixture containing 5 per centum or more of butterfat, or milk solids-not-fat, or any combinations of the two; and (3) lactose, and other derivatives of milk, butterfat, or milk solids-not-fat, if imported commercially for any food use. Dairy products do not include (1) casein, caseinates, industrial casein, industrial caseinates, or any other industrial products, not to be used in any form for any food use, or an ingredient of food; or (2) articles not normally considered to be dairy products, such as candy, bakery goods, and other similar articles: *Provided*, That dairy products in any form, in any such article are not commercially extractable or capable of being used commercially as a replacement or substitute for such ingredients in the manufacture of any food product.”

"PRODUCER HANDLERS"

"SEC. 206. The legal status of producer handlers of milk under the provisions of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, shall be the same subsequent to the adoption of the amendments made by the Agriculture Act of 1973 as it was prior thereto."

WOOL PROGRAM

(7) Section 301 is amended by—

(A) striking out "1973" each place it occurs and inserting "1977", and by striking out the word "three" each place it occurs and

(B) adding at the end thereof the following:

"(6) Strike out the first sentence of section 708 and insert the following: 'The Secretary of Agriculture is authorized to enter into agreements with, or to approve agreements entered into between, marketing cooperatives, trade associations, or others engaged or whose members are engaged in the handling of wool, mohair, sheep, or goats or the products thereof for the purpose of developing, and conducting on a national, State, or regional basis, advertising and sales promotion programs and programs for the development and dissemination of information on product quality, production management, and marketing improvement, for wool, mohair, sheep, or goats or the products thereof. Advertising and sales promotion programs may be conducted outside of the United States for the purpose of maintaining and expanding foreign markets and uses for mohair or goats or the products thereof produced in the United States.'"

WHEAT PROGRAM

Wheat Production Incentives

(8) Effective beginning with the 1974 crop section 401 is amended by striking out "1971, 1972, and 1973" and inserting "1971 through 1977" and section 107 of the Agricultural Act of 1949, as it appears therein, is amended by—

(A) amending section 107(a) to read as follows:

"(a) Loans and purchases on each crop of wheat shall be made available at such level as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains: *Provided*, That in no event shall such level be in excess of the parity price for wheat or less than \$1.49 per bushel."

(B) substituting the word "payments" for the word "certificates" in section 107(b);

(C) striking the quotation mark at the end of section 107(b); and

(D) adding at the end of the section the following:

"(c) Payments shall be made for each crop of wheat to the producers on each farm in an amount determined by multiplying (i) the amount by which the higher of—

"(1) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(2) the loan level determined under subsection (a) for such crop.

is less than the established price of \$2.05 per bushel, adjusted for each of the 1975 through 1977 crops to reflect any changes in the index of prices paid by farmers for production items, interest, taxes, and wage rates, times (ii) the allotment for the farm for such crop, times (iii) the projected yield established for the farm with such adjustments as the Secretary determines necessary to provide a fair and equitable yield: *Provided*, That any increase that would otherwise be made in the established price to reflect a change in the index of prices paid by farmers shall be adjusted to reflect any change in (i) the national average yield per acre of wheat for the three calendar years preceding the year for which the determination is made, over (ii) the national average yield per acre of wheat for the three calendar years preceding the year previous to the one for which the determination is made. If the Secretary determines that the producers are prevented from planting, or if planted, prevented from harvesting any portion of the farm acreage allotment to wheat or other nonconserving crop, because of drought, flood, or other natural disaster or condition beyond the control of the producer, the rate of payment on such portion shall be the larger of (A) the foregoing rate, or (B) one-third of the established price. The Secretary shall provide for the sharing of payments made under this subsection for any farm among the producers on the farm on a fair and equitable basis." Termination of Wheat Certificate Program, Farm Acreage Allotments

(9) Section 402 is amended by inserting "(a)" after the section designation and adding the following at the end of the section:

"(b)(A) Section 379b of the Agricultural Adjustment Act of 1938 (which provides for a wheat marketing certificate program) shall not be applicable to the 1974 through 1977 crops of wheat, except as provided in paragraphs (B) and (C) of this subsection.

"(B) Section 379b(c) of the Agricultural Adjustment Act of 1938, as amended by subsection (a) of this section (which provides for a set-aside program), shall be effective with respect to the 1974 through 1977 crops of wheat with the following changes:

"(1) The phrase 'payments authorized by section 107(c) of the Agricultural Act of

AGRICULTURE AND CONSUMER PROTECTION ACT
OF 1973

JULY 31, 1973.—Ordered to be printed

Mr. POAGE, from the committee of conference,
submitted the following

C O N F E R E N C E R E P O R T

[To accompany S. 1888]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1888), to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices, having met, after full and free conference, have been unable to agree.

**JOINT EXPLANATORY STATEMENT OF THE
COMMITTEE OF CONFERENCE**

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1888), to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices, submit the following joint statement to the House and the Senate in explanation of the accompanying conference report:

The House amendment struck out all after the enacting clause of S. 1888 and inserted in lieu thereof the language of H.R. 8860 as passed by the House.

There were 111 substantive differences between S. 1888 and the House amendment. The conferees were able to reconcile 110 of these differences, but were unable to agree on the provision in the House amendment which would, under specified conditions, prohibit food stamp assistance to strikers.

The language upon which the conferees reached agreement (omitting the one point upon which they were unable to agree) is as follows:

That the Agricultural Act of 1970 is amended as follows:

(1) Title I is amended to read as follows:

“TITLE I—PAYMENT LIMITATION

“SEC. 101. Notwithstanding any other provision of law—

“(1) The total amount of payments which a person shall be entitled to receive under one or more of the annual programs established by titles IV, V, and VI of this Act for the 1974 through 1977 crops of the commodities shall not exceed \$20,000.

“(2) The term ‘payments’ as used in this section shall not include loans or purchases, or any part of any payment which is determined by the Secretary to represent compensation for resource adjustment or public access for recreation.

“(3) If the Secretary determines that the total amount of payments which will be earned by any person under the program in effect for any crop will be reduced under this section, the set-aside acreage for the farm or farms on which such person will be sharing in payments earned under such program shall be reduced to such extent and in such manner as the Secretary determines will be fair and reasonable in relation to the amount of the payment reduction.

“(4) The Secretary shall issue regulations defining the term ‘person’ and prescribing such rules as he determines necessary to assure a fair and reasonable application of such limitation. Provided, That the provisions of this Act which limit payments to any person shall not be applicable to lands owned by States, political subdivisions, or agencies thereof, so long as such lands are farmed primarily in the direct furtherance of a public function, as determined by the Secretary. The rules for determining whether corporations and their stockholders may be considered as separate persons shall be in accordance with the regulations issued by the Secretary on December 18, 1970.”

DAIRY PROGRAM
MILK MARKETING ORDERS

(2) Section 201 is amended by—

(A) amending section 201(e) by striking out "1973" and inserting "1977", and by striking out "1976" and inserting "1980", and
(B) adding at the end thereof the following:

“(f) The Agricultural Adjustment Act as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended by:

“(1) striking the period at the end of subsection 8c(17) and adding in lieu thereof the following: ‘Provided further, That if one-third or more of the producers as defined in a milk order apply in writing for a hearing on a proposed amendment of such order, the Secretary shall call such a hearing if the proposed amendment is one that may legally be made to such order. Subsection (12) of this section shall not be construed to permit any cooperative to act for its members in an application for a hearing under the foregoing proviso and nothing in such proviso shall be construed to preclude the Secretary from calling an amendment hearing as provided in subsection (3) of this section. The Secretary shall not be required to call a hearing on any proposed amendment to an order in response to an application for a hearing on such proposed amendment if the application requesting the hearing is received by the Secretary within ninety days after the date on which the Secretary has announced his decision on a previously proposed amendment to such order and the two proposed amendments are essentially the same.’

“(2) inserting after the phrase ‘pure and wholesome milk’ in section 8c(18) the phrase ‘to meet current needs and further to assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs’.”

MILK PRICE SUPPORT, BUTTERFAT PRICE SUPPORT SUSPENSION

(3) Section 202 is amended by—

(A) striking the introductory clause which precedes subsection (a);

(B) effective April 1, 1974, inserting in subsection (b) before the period at the end of the first sentence in the quotation the following: “of pure and wholesome milk to meet current needs, reflect changes in the cost of production, and assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs”; and

(C) inserting in subsection (b) after the first sentence in the quotation the following: “Notwithstanding the foregoing, effective for the period beginning with the date of enactment of the Agriculture and Consumer Protection Act of 1973 and ending on March 31, 1975, the price of milk shall be supported at not less than 80 per centum of the parity price therefor.”

TRANSFER OF DAIRY PRODUCTS TO THE MILITARY AND TO VETERANS HOSPITALS

(4) Section 203 is amended by striking out "1973" and inserting "1977".

DAIRY INDEMNITY PROGRAM

(5) Section 204 is amended by—
 (A) striking out “1973” and inserting “1977”; and
 (B) striking subsection (b) and substituting therefor the following:

“(b) Section 1 of said Act is amended to read as follows:

“SECTION 1. The Secretary of Agriculture is authorized to make indemnity payments for milk or cows producing such milk at a fair market value, to dairy farmers who have been directed since January 1, 1964 (but only since the date of enactment of the Agriculture and Consumer Protection Act of 1973 in the case of indemnity payments not authorized prior to such date of enactment), to remove their milk, and to make indemnity payments for dairy products at fair market value to manufacturers of dairy products who have been directed since the date of enactment of the Agricultural Act of 1970 to remove their dairy products from commercial markets because of residues of chemicals registered and approved for use by the Federal Government at the time of such use. Any indemnity payment to any farmer shall continue until he has been reinstated and is again allowed to dispose of his milk on commercial markets.”

DAIRY IMPORT STUDY

(6) Title II is amended by adding at the end thereof the following:

“SEC. 205. The Secretary of Agriculture is authorized and directed to carry out a comprehensive study to determine the effect upon domestic dairy producers, handlers, and processors and upon consumers of increases in the level of imports, if any, of dairy products and report his findings, together with any recommendations he may have with respect to import quotas or other matters, to the Congress of the United States no later than January 1, 1975. For the purposes of this section dairy products include (1) all forms of milk and dairy products, butterfat, milk solids-not-fat, and any combination or mixture thereof; (2) any article, compound, or mixture containing 5 per centum or more of butterfat, or milk solids-not-fat, or any combinations of the two; and (3) lactose, and other derivatives of milk, butterfat, or milk solids-not-fat, if imported commercially for any food use. Dairy products do not include (1) casein, caseinates, industrial casein, industrial caseinates, or any other industrial products, not to be used in any form for any food use, or an ingredient of food; or (2) articles not normally considered to be dairy products, such as candy, bakery goods, and other similar articles.”

“PRODUCER HANDLERS

“SEC. 206. The legal status of producer handlers of milk under the provisions of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, shall be the same subsequent to the adoption of the amendments made by the Agriculture Act of 1973 as it was prior thereto.”

WOOL PROGRAM

(7) Section 301 is amended by
 (A) striking out “1973” each place it occurs and inserting
 “1977”, and by striking out the word “three” each place it occurs;
 and

~~Security Act (if any), an amount equal to the bonus value of food stamps (according to the Food Stamp Schedule effective for July 1973) in addition to the amount of assistance such individual would be entitled to receive for such month under the provisions of the plan of the State approved under title I, X, XIV, or XVI, as appropriate, in effect for December 1973, assuming such plan were in effect for such month and such individual were aged, blind, or disabled, as the case may be, under the provisions of such State plan or under Public Law 92-603 as amended. The Secretary of Health, Education, and Welfare shall issue regulations for the implementation of the foregoing sentence after consultation with the Secretary of Agriculture.~~

SHORT TITLE

SEC. 5. This Act may be cited as the "Agriculture and Consumer Protection Act of 1973".

W. R. POAGE,
THOMAS S. FOLEY,
BERNIE SISK,
JOHN R. RARICK,
ED JONES,

Managers on the Part of the House.

HERMAN E. TALMADGE,
JAMES O. EASTLAND,
GEORGE McGOVERN,
JAMES B. ALLEN,
CARL T. CURTIS,
G. D. AIKEN,
MILTON R. YOUNG,

Managers on the Part of the Senate.

DESCRIPTION OF DIFFERENCES RECONCILED

The 111 differences and a description of how the conferees reconciled 110 of them follows:

(1) Senate payment limitation excluded resource adjustment payments.

House (i) included diversion and resources adjustment payments, (ii) added a new paragraph (4) which provided for reductions in the payment limitation in cases where lands or allotments are leased, and (iii) amended existing paragraph (4) to provide for rules designed to achieve an "effective and economical" (rather than "fair and reasonable") application of the limitation.

The Conference substitute adopts the Senate provision with an amendment to paragraph (4) to preserve the definition of corporate "persons" originally adopted by U.S. Department of Agriculture regulations after the enactment of the Agricultural Act of 1970.

(2) Senate generally provided for a five year bill.

House generally provided for a four year bill, except that the payment limitation provision covered five years.

The Conference substitute generally provides for a four year bill.

(3) Senate increased the minimum dairy support price on manufactured milk to eighty percent of parity for balance of current marketing year.

House increased that support price to eighty percent permanently.

The Conference substitute increases the minimum support price to eighty percent of parity for the balance of the current marketing year and for the next marketing year, which ends March 31, 1975.

(4) Senate limited dairy imports to two percent of annual consumption subject to exceptions.

The Conference substitute deletes this provision.

(5) Senate gave dairy import license priority to domestic producers and processors for "any increase in the quantity to be imported under this section".

House gave such priority for "dairy products not currently being imported", specified that such priority shall be for thirty days, prohibited the transfer of licenses, and excluded casein and caseinates from "dairy products".

(33)

The Conference substitute rewrites both provisions to require the Secretary of Agriculture to make a comprehensive study of the dairy import situation and to report to the Congress no later than January 1, 1975 his findings and recommendations relative thereto.

(6) *House* preserved the legal status of producer handlers of milk. *The Conference substitute* includes this provision.

(7) *House* increased the minimum wheat price support loan to \$1.49 per bushel (from \$1.25 in present law).

The Conference substitute increases the minimum wheat price support loan to \$1.37 per bushel.

(8) *Senate* wheat "target price" for 1974 was set at \$2.28 per bushel. *House* "target" was \$2.05.

The Conference substitute sets the 1974 and 1975 wheat "target price" at \$2.05 per bushel, with adjustments in 1976 and 1977.

(9) *House* provided for adjustment of the prices paid index for wheat, corn, and cotton "to reflect any change in (i) the national average yield per acre . . . for the three calendar years preceding the year for which the determination is made, over (ii) the national average yield per acre . . . for the three calendar years preceding the year previous to the one for which the determination is made."

The Conference substitute adopts the *House* provision, but the application of the "escalator clause" will not be applicable to the 1974 or 1975 crops of wheat, corn, and cotton. In 1976 any adjustments occurring as the result of changes in farm costs and yields in the previous year would be reflected in the 1976 "target" prices. In 1977 the adjusted 1976 "target price" will be used as a basis for the 1977 "target price", but any adjustments occurring as the result of changes in farm costs and yields in the previous year would be reflected in that 1977 "target price".

(10) *Senate* provided for payment of one-third of "target price" for wheat, feed grains, and cotton *only* where producer is prevented from *planting*.

House provided such payment *also* where producer is prevented from *harvesting*.

The Conference substitute provides such payment where the producer is prevented from *planting* or where he harvests less than two-thirds of a normal crop.

(11) *Senate* extended the fifteen million acre limitation on the wheat set-aside.

The Conference substitute deletes this provision.

~~date at least thirty days following submission of findings to Congress made after hearings held as soon as possible after enactment of the bill.~~

~~The Conference substitute deletes this provision. The Conferees, however, are fully mindful of the action of the Department of Labor in recent months in promulgating and attempting to enforce what has proven to be arbitrary and capricious regulations affecting farm workers and their employers. The Conferees strongly recommend that in the promulgation of future regulations the Secretary of Labor take into account both the expertise and the vital interests of both farmers and consumers, as well as providing an adequate public hearing process where all affected parties will have an opportunity to be heard.~~

~~(110) House repealed section 301 of the Agricultural Marketing Act of 1946 (which provides for a national research advisory committee).~~

~~The Conference substitute includes this provision.~~

~~(111) Senate provided short title "Agriculture and Consumer Protection Act of 1973".~~

~~House provided a short title "Agriculture Act of 1973".~~

~~The Conference substitute includes the Senate provision.~~

~~The Conferees also wish to express their intent in regard to the following:~~

DAIRY INDEMNITIES

The Conferees have taken note of the fact that the authority for dairy indemnity payments on milk has expired on June 30, 1973. In approving the four-year extension and amendment of this program the Conferees are also mindful that some claims for milk may arise during the period from June 30, 1973 to the date of enactment of this bill.

It is the intent of the Conferees that such claims occurring during this period be entertained by the Secretary and if the claimants otherwise qualify, the fact that these losses occurred during this period should not disqualify their claims.

W. R. POAGE,
THOMAS S. FOLEY,
BERNIE SISK,
JOHN R. RARICK,
ED JONES,

Managers on the Part of the House.

HERMAN E. TALMADGE,
JAMES O. EASTLAND,
GEORGE McGOVERN,
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G. D. AIKEN,
MILTON R. YOUNG,

Managers on the Part of the Senate.



SENATE AGREED TO CONFERENCE REPORT AND
SUBSTITUTED THAT LANGUAGE FOR THE HOUSE AMENDMENT
TO S. 1888

July 31, 1973

that the Senator from Alaska (Mr. GRAVEL) and the Senator from Wyoming (Mr. McGEE) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. ABOUREZK) is absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER) is absent because of illness in his family.

The Senator from Tennessee (Mr. BAKER) and the Senator from Oregon (Mr. HATFIELD) are detained on official business.

If present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "nay."

The result was announced—yeas 43, nays 50, as follows:

[No. 356 Leg.]
YEAS—43

Allen	Domenici	Mathias
Bartlett	Dominick	McClellan
Beall	Eastland	Pearson
Bellmon	Fannin	Percy
Bennett	Fong	Proxmire
Bentsen	Fulbright	Randolph
Brock	Griffin	Schweizer
Buckley	Gurney	Scott, Pa.
Burdick	Hansen	Scott, Va.
Byrd,	Hartke	Stevens
Harry F. Jr.	Helms	Taft
Byrd, Robert C.	Hruska	Thurmond
Cook	Johnston	Tower
Curtis	Long	Young
Dole	Mansfield	

NAYS—50

Aiken	Hollings	Nelson
Bayh	Huddleston	Nunn
Bible	Hughes	Packwood
Biden	Humphrey	Pastore
Brooke	Inouye	Pell
Cannon	Jackson	Ribicoff
Case	Javits	Roth
Chiles	Kennedy	Saxbe
Church	Magnuson	Sparkman
Clark	McClure	Stafford
Cotton	McGovern	Stevenson
Cranston	McIntyre	Symington
Eagleton	Metcalf	Talmadge
Ervin	Mondale	Tunney
Hart	Montoya	Weicker
Haskell	Moss	Williams
Hathaway	Muskie	

NOT VOTING—7

Abourezk	Gravel	Stennis
Baker	Hatfield	
Goldwater	McGee	

So Mr. BARTLETT's amendment was rejected.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. PASTORE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HARTKE. Mr. President, the bill before the Senate today (H.R. 5777) is designed to require that any imitation political item be plainly and permanently marked with the calendar year of its manufacture and that any imitation numismatic item be marked "copy". Failure to take this action would constitute an unfair or deceptive act or practice in commerce under the Federal Trade Commission Act. Recognizing this need, I introduced S. 1880 on May 23 of this year and am pleased that it has received favorable consideration by the Senate Commerce Committee.

It has been estimated that there are more than 1 million persons in the

United States today who collect coins, tokens, paper money, and commemorative medals. A smaller, but nevertheless steadily increasing number of Americans are engaged in collecting political items. Millions of dollars are spent each year by collectors of numismatic and political items. It is, therefore, not surprising that a prosperous business in imitation items has emerged.

Most imitation numismatic items are produced in Europe, the Near East, and Southeast Asia. Unfortunately, some of these fake items have been sold as original for thousands of dollars each. It is this danger which my bill seeks to prevent. Fake items should not be traded as originals, and the possibility for that to happen would be eliminated if my bill is enacted into law.

Mr. President, the production of imitation coins and political items threatens the value of the original pieces. They create havoc in the world of the people who collect them, and there is nothing in the present law to prevent this deception. While the U.S. Secret Service does excellent work in controlling the counterfeiting of current U.S. coins, there is no provision of law which regulates the ever-increasing tide of copies of non-current coins.

Mr. President, my proposed legislation, S. 1880, is identical to H.R. 5777, sponsored in the current session of Congress by Representatives ECKHARDT and MOSS. The House Committee on Interstate and Foreign Commerce estimated the cost of the bill at \$50,000 for each of the next 5 fiscal years. The House passed H.R. 5777 on May 16 by an overwhelming majority.

CORRECTION OF VOTES

Mr. ROBERT C. BYRD. Mr. President, I have been advised by Mr. MONDALE that he cast his vote, in error, against the Packwood amendment No. 437 to S. 372 on July 28. I therefore ask unanimous consent, on Mr. MONDALE's behalf—in accordance with Senate rule XII—that his vote on that amendment be changed from "nay" to "yea," and that the permanent RECORD of the proceedings of July 28 be revised accordingly.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I have been advised by the senior Senator from Wyoming (Mr. McGEE) that during the session on Saturday, July 28, he cast his vote on the Church amendment No. 341 to the bill S. 372 in error. He voted "yea" on the motion to lay on the table amendment No. 341, and on his behalf I ask unanimous consent—in accordance with rule XII—that his vote be changed from "yea" to "nay."

The PRESIDING OFFICER. Without objection, it is so ordered.

WAR POWERS ACT

Mr. FULBRIGHT. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on House Joint Resolution 542.

The PRESIDING OFFICER (Mr. BIDEN) laid before the Senate a message from the House of Representatives

announcing its disagreement to the amendment of the Senate to the joint resolution (H.J. Res. 542) concerning the war powers of Congress and the President, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. FULBRIGHT. I move that the Senate insist upon its amendment and agree to the request of the House for a conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. FULBRIGHT, Mr. MANSFIELD, Mr. SYMINGTON, Mr. MUSKIE, Mr. AIKEN, Mr. CASE, and Mr. JAVITS conferees on the part of the Senate.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, appoints the following Senators to attend the 17th Session of the United Nations Food and Agriculture Organization Conference, to be held in Rome, Italy, November 10-29, 1973: the Senator from Kentucky (Mr. HUDDLESTON) and the Senator from Nebraska (Mr. CURTIS).

The Chair, on behalf of the Vice President, appoints the following Senators to attend the International Conference on Marine Pollution of the Intergovernmental Marine Consultative Organization—IMCO—to be held in London, England, October 8—November 2, 1973: the Senator from Washington (Mr. MAGNUSON), the Senator from Rhode Island (Mr. PELL), and the Senator from Maryland (Mr. BEALL).

AGRICULTURAL ACT AMENDMENTS—CONFERENCE REPORT

Mr. TALMADGE. Mr. President, under the previous unanimous-consent agreement, what is the pending business?

The PRESIDING OFFICER. The Senate will now proceed to the consideration of the conference report on S. 1888.

Mr. TALMADGE. I yield to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that on the substitute to be offered by the distinguished Senator from Georgia, the manager of the bill, there be a time limitation of 20 minutes; that on the amendment to be offered by the distinguished Senator from North Carolina (Mr. HELMS) there be a time limitation of 20 minutes, the time to be equally divided, according to the usual custom, between the sponsor of the amendment and the manager of the bill, and, in the first instance, for the amendment in the first degree, between the manager of the bill and the ranking Republican member or whomever he may designate.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, does

The Senator intend to ask for the yeas and nays on his amendment?

Mr. HELMS. Yes.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that it be in order at this time to ask for the yeas and nays on the Helms amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. PASTORE. Mr. President, could we have a limitation of 10 minutes on votes?

Mr. MANSFIELD. I am glad the Senator reminded me of that.

For the information of the Senate, any votes from now on will be 10 minutes in duration, period.

Mr. TALMADGE. I expect, also, to ask for the yeas and nays on the substitute.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that it be in order at this time to ask for the yeas and nays on the substitute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, I ask for the yeas and nays on the substitute.

The yeas and nays were ordered.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the privilege of the floor be granted to the following persons during the consideration of S. 1888 and any votes thereon: Harker Stanton, Henry Casso, James Thornton, Forest Reece, and William Taggart.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, I ask the Chair to lay before the Senate a conference report on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1888), to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices, and ask for its immediate consideration.

The Senate proceeded to consider the report, which reads as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1888), to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices, having met, after full and free conference, have been unable to agree.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1888), to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices, submit the following joint statement to the House and the Senate in explanation of the accompanying conference report:

The House amendment struck out all after the enacting clause of S. 1888 and inserted in lieu thereof the language of H.R. 8860 as passed by the House.

There were 111 substantive differences between S. 1888 and the House amendment. The conferees were able to reconcile 110 of these differences, but were unable to agree on the provision in the House amendment which

would, under specified conditions, prohibit food stamp assistance to strikers.

The language upon which the conferees reached agreement (omitting the one point upon which they were unable to agree) is as follows:

That the Agricultural Act of 1970 is amended as follows:

(1) Title I is amended to read as follows:

"TITLE I—PAYMENT LIMITATION

"SEC. 101.—Notwithstanding any other provision of law—

"(1) The total amount of payments which a person shall be entitled to receive under one or more of the annual programs established by titles IV, V, and VI of this Act for the 1974 through 1977 crops of the commodities shall not exceed \$20,000.

"(2) The term 'payments' as used in this section shall not include loans or purchases, or any part of any payment which is determined by the Secretary to represent compensation for resource adjustment or public access for recreation.

"(3) If the Secretary determines that the total amount of payments which will be earned by any person under the program in effect for any crop will be reduced under this section, the set-aside acreage for the farm or farms on which such person will be sharing in payments earned under such program shall be reduced to such extent and in such manner as the Secretary determines will be fair and reasonable in relation to the amount of the payment reduction.

"(4) The Secretary shall issue regulations defining the term 'person' and prescribing such rules as he determines necessary to assure a fair and reasonable application of such limitation: *Provided*, That the provisions of this Act which limit payments to any person shall not be applicable to lands owned by States, political subdivisions, or agencies thereof, so long as such lands are farmed primarily in the direct furtherance of a public function, as determined by the Secretary. The rules for determining whether corporations and their stockholders may be considered as separate persons shall be in accordance with the regulations issued by the Secretary on December 18, 1970."

DAIRY PROGRAM

MILK MARKETING ORDERS

(2) Section 201 is amended by—

(A) amending section 201(e) by striking out "1973" and inserting "1977", and by striking out "1976" and inserting "1980", and (B) adding at the end thereof the following:

"(f) The Agricultural Adjustment Act as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended by:

"(1) striking the period at the end of subsection 8c(17) and adding in lieu thereof the following: ': *Provided further*, That if one-third or more of the producers as defined in a milk order apply in writing for a hearing on a proposed amendment of such order, the Secretary shall call such a hearing if the proposed amendment is one that may legally be made to such order. Subsection (12) of this section shall be construed to permit any cooperative to act for its members in an application for a hearing under the foregoing proviso and nothing in such proviso shall be construed to preclude the Secretary from calling an amendment hearing as provided in subsection (3) of this section. The Secretary shall not be required to call a hearing on any proposed amendment to an order in response to an application for a hearing on such proposed amendment if the application requesting the hearing is received by the Secretary within ninety days after the date on which the Secretary has announced his decision on a previously proposed amendment to such order and the two proposed amendments are essentially the same.'

"(2) inserting after the phrase 'pure and wholesome milk' in section 8c(18) the phrase

'to meet current needs and further to assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs'."

MILK PRICE SUPPORT, BUTTERFAT PRICE SUPPORT SUSPENSION

(3) Section 202 is amended by—

(A) striking the introductory clause which precedes subsection (a);

(B) effective April 1, 1974, inserting in subsection (b) before the period at the end of the first sentence in the quotation the following: "of pure and wholesome milk to meet current needs, reflect changes in the cost of production, and assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs"; and

(C) inserting in subsection (b) after the first sentence in the quotation the following: "Notwithstanding the foregoing, effective for the period beginning with the date of enactment of the Agriculture and Consumer Protection Act of 1973 and ending on March 31, 1975, the price of milk shall be supported at not less than 80 per centum of the parity price therefor."

TRANSFER OF DAIRY PRODUCTS TO THE MILITARY AND TO VETERANS HOSPITALS

(4) Section 203 is amended by striking out "1973" and inserting "1977".

DAIRY INDEMNITY PROGRAM

(5) Section 204 is amended by—

(A) striking out "1973" and inserting "1977"; and

(B) striking subsection (b) and substituting therefor the following:

"(b) Section 1 of said Act is amended to read as follows:

"**SECTION 1.** The Secretary of Agriculture is authorized to make indemnity payments for milk or cows producing such milk at a fair market value, to dairy farmers who have been directed since January 1, 1964 (but only since the date of enactment of the Agriculture and Consumer Protection Act of 1973 in the case of indemnity payments not authorized prior to such date of enactment), to remove their milk, and to make indemnity payments for dairy products at fair market value to manufacturers of dairy products who have been directed since the date of enactment of the Agricultural Act of 1970 to remove their dairy products from commercial markets because of residues of chemicals registered and approved for use by the Federal Government at the time of such use. Any indemnity payment to any farmer shall continue until he has been reinstated and is again allowed to dispose of his milk on commercial markets."

DAIRY IMPORT STUDY

(6) Title II is amended by adding at the end thereof the following:

"**Sec. 205.** The Secretary of Agriculture is authorized and directed to carry out a comprehensive study to determine the effect upon domestic dairy producers, handlers, and processors and upon consumers of increases in the level of imports, if any, of dairy products and report his findings, together with any recommendations he may have with respect to import quotas or other matters, to the Congress of the United States no later than January 1, 1975. For the purposes of this section dairy products include (1) all forms of milk and dairy products, butterfat, milk solids-not-fat, and any combination or mixture thereof; (2) any article, compound, or mixture containing 5 per centum or more of butterfat, or milk solids-not-fat or any combination of the two; and (3) lactose, and other derivatives of milk, butterfat, or milk solids-not-fat, if imported commercially for any food use. Dairy products do not include (1) casein, caseinates, industrial casein, industrial caseinates, or any other industrial products, not to be used in any

(88) House prohibited grazing on multi-year set-aside and required compliance with State noxious weed laws.

The Conference substitute includes this provision.

(89) House limited retirement of acreage under title X of 1970 Act in any county or local community to a percentage which will not adversely affect its economy.

The Conference substitute includes this provision.

(90) (a) Senate required State advisory board to meet at least once a year.

The Conference substitute includes this provision.

(b) House required such board to include the State soil conservationist, the State forester, the State administrator of the water quality programs, and the State wildlife administrator or their designees.

The Conference substitute includes this provision.

(c) Senate limited the national advisory board to advising on wildlife phases of the multi-year set-aside program.

House limited the advice of the State and national advisory boards to water bank conservation measures, perpetual easement purchases long-term upland game cover, and multi-year set-aside practices.

The Conference substitute includes the House provision.

(95) Senate made the State Director of Wildlife Resources an ex-officio member of the State ASC Committee.

The Conference substitute deletes this provision.

(96) Senate reduced the grant authority for water and waste disposal facilities in section 306(a) (2) of the Consolidated Farm and Rural Development Act from \$300 million to \$60 million per year, but directed the Secretary to make such grants in the case of water facilities. It also reduced the planning grant authority under section 306(a) (6) of such Act from \$80 million to \$5 million per year, but directed the Secretary to make such grants in the case of water systems.

The Conference substitute deletes this provision.

97) Senate required the Secretary of Agriculture to use funds appropriated under section 32 of the Act of August 24, 1935, and other available funds to purchase commodities of the types customarily purchased under section 416 of the Agricultural Act of 1949 needed to provide recipient households under section 416 with 125 percent of their daily nutritional requirements.

The conference substitute includes a revised version of this provision (see Item 50).

The revised language (subsection (a)) gives the Secretary authority, until June 30, 1974, to use funds appropriated under section 32 of the Act of August 24, 1935 to purchase commodities of the types customarily purchased under section 416 of the Agricultural Act of 1949. This action was necessary to continue the Federal food distribution program during any period when there are no surplus commodities up until June 30, 1974. At that time, it is the expectation of the conferees that the food stamp program will have been implemented nationwide (under Item 50) and that those areas of the country which had previously relied upon the Federal food distribution program will be receiving food stamp assistance.

The conferees also included language in subsection (b) to clarify the definition of "summer camp" in section 416 of the Agricultural Act of 1949, section 32 of P.L. 74-320, and section 709 of the Food and Agriculture Act of 1965 to provide that the number of adults participating in the activities of such camp not exceed more than one for each five children.

(98) Senate required the Secretary of Commerce to conduct a census of agriculture in 1974 as required by section 142 of

title 13 of the U.S. Code: and within thirty days of enactment of the bill to submit an estimate of the funds needed to conduct such census.

The Conference substitute includes this provision.

(99) Senate contained a short title and policy statement for forestry incentives provisions.

The Conference substitute deletes this provision.

(100) Senate restricted forestry incentives to owners of 500 acres or less.

House restricted eligibility to tracts of 500 acres or less unless significant public benefit will result.

The Conference substitute includes the House provision.

(101) Senate excluded manufacturing and utility corporations (not individuals).

House excluded forest manufacturing and utility entities.

The Conference substitute includes the House provision.

(102) House restricted forestry incentive program to a "pilot" program excluded non-federal public lands, and did not specifically provide for recreation, scenic, environmental, watershed, forage, and fish and wildlife benefits.

The Conference substitute includes this provision, but deletes the reference to a "pilot" program.

(103) Senate provided specifically for forestry incentive payments and limited any person to not more than \$2,500 annually.

The Conference substitute deletes this provision.

(104) Senate provided for distribution of funds for cost-sharing after consideration of enumerated factors.

House required distribution of funds among and within the States after consideration of somewhat different factors.

The Conference substitute includes the House provision.

(105) Senate authorized Secretary to designate ex officio members of State and local committees for forestry incentive program to be selected from (1) small owners, (2) private forest manager or consulting foresters and (3) wildlife and other private or public resource interests.

The Conference substitute deletes this provision.

(106) Senate required ten-year forest management contracts from forestry incentive program participants.

The Conference substitute deletes this provision.

(107) Senate limited REAP practices to permanent measures, and limited federal cost-sharing for such measures to not to exceed fifty percent.

House permanently required three, five, ten, and twenty-five year contracts, and perpetual easements to carry out the purposes of the REAP, Great Plains, and water bank programs.

The Conference substitute includes the House provision.

(108) House authorized the use of CCC in carrying out program described in Item 107 and multi-year set-aside.

The Conference substitute includes this provision.

(109) Senate postponed the effective date of regulations under the Occupational Safety and Health Act of 1970, fixing minimum field re-entry periods after the application of certain pesticides (Federal Register, Vol. 38, No. 83, pp. 10715-10717) from June 18, 1973, to a date at least thirty days following submission of findings to Congress made after hearings held as soon as possible after enactment of the bill.

The Conference substitute deletes this provision. The conferees, however, are fully mindful of the action of the Department of Labor in recent months in promulgating

and attempting to enforce what has proven to be arbitrary and capricious regulations affecting farm workers and their employers. The conferees strongly recommend that in the promulgation of future regulations the Secretary of Labor take into account both the expertise and the vital interests of both farmers and consumers, as well as providing an adequate public hearing process where all affected parties will have an opportunity to be heard.

(110) House repealed section 304 of the Agricultural Marketing Act of 1946 (which provides for a national research advisory committee).

The Conference substitute includes this provision.

(111) Senate provided short title "Agriculture and Consumer Protection Act of 1973".

House provided a short title "Agriculture Act of 1973".

The Conference substitute includes the Senate provision.

The conferees also wish to express their intent in regard to the following:

DAIRY INDEMNITIES

The conferees have taken note of the fact that the authority for dairy indemnity payments on milk has expired on June 30, 1973. In approving the four-year extension and amendment of this program the conferees are also mindful that some claims for milk may arise during the period from June 30, 1973 to the date of enactment of this bill.

It is the intent of the conferees that such claims occurring during this period be entertained by the Secretary and if the claimants otherwise qualify, the fact that these losses occurred during this period should not disqualify their claims.

HERMAN E. TALMADGE,
JAMES O. EASTLAND,
GEORGE McGOVERN,
JAMES B. ALLEN,
CARL T. CURTIS,
GEORGE D. AIKEN,
MILTON R. YOUNG,

Managers on the Part of the Senate.

W. R. POAGE,
THOMAS S. FOLEY,
B. F. SISK,
JOHN R. RARICK,
ED JONES,

Managers on the Part of the House.

Mr. TALMADGE. Mr. President, the conferees reported in disagreement, because of one point in dispute. The Senate conferees unanimously agreed to the other 110 points in dispute, which are included in an amendment in the nature of a substitute which I am about to send to the desk. Not all the House conferees signed the report.

I send to the desk the substitute amendment that covers the 110 points recommended by all the Senate conferees, and I ask that it be stated.

The PRESIDING OFFICER. Does the Senator want the conference report agreed to before calling up the amendment?

Mr. TALMADGE. Yes.

The PRESIDING OFFICER. Without objection, the conference report is agreed to.

The substitute reads as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

That the Agricultural Act of 1970 is amended as follows:

(1) Title I is amended to read as follows:

"TITLE I—PAYMENT LIMITATION

"Sec. 101. Notwithstanding any other provision of law—

"(1) The total amount of payments which a person shall be entitled to receive under one or more of the annual programs established by titles IV, V, and VI of this Act for the 1974 through 1977 crops of the commodities shall not exceed \$20,000.

"(2) The term 'payments' as used in this section shall not include loans or purchases, or any part of any payment which is determined by the Secretary to represent compensation for resource adjustment or public access for recreation.

"(3) If the Secretary determines that the total amount of payments which will be earned by any person under the program in effect for any crop will be reduced under this section, the set-aside acreage for the farm or farms on which such person will be sharing in payments earned under such program shall be reduced to such extent and in such manner as the Secretary determines will be fair and reasonable in relation to the amount of the payment reduction.

"(4) The Secretary shall issue regulations defining the term 'person' and prescribing such rules as he determines necessary to assure a fair and reasonable application of such limitation: *Provided*, That the provisions of this Act which limit payments to any person shall not be applicable to lands owned by States, political subdivisions, or agencies thereof, so long as such lands are farmed primarily in the direct furtherance of a public function, as determined by the Secretary. The rules for determining whether corporations and their stockholders may be considered as separate persons shall be in accordance with the regulations issued by the Secretary on December 18, 1970."

DAIRY PROGRAM

MILK MARKETING ORDERS

(2) Section 201 is amended by—

(A) amending section 201(e) by striking out "1973" and inserting "1977", and by striking out "1976" and inserting "1980", and (B) adding at the end thereof the following:

"(f) The Agricultural Adjustment Act as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended by:

(1) striking the period at the end of subsection 8c(17) and adding in lieu thereof the following: ': *Provided further*, That if one-third or more of the producers as defined in a milk order apply in writing for a hearing on a proposed amendment of such order, the Secretary shall call such a hearing if the proposed amendment is one that may legally be made to such order. Subsection (13) of this section shall not be construed to permit any cooperative to act for its members in an application for a hearing under the foregoing proviso and nothing in such proviso shall be construed to preclude the Secretary from calling an amendment hearing as provided in subsection (3) of this section. The Secretary shall not be required to call a hearing on any proposed amendment to an order in response to an application for a hearing on such proposed amendment if the application requesting the hearing is received by the Secretary within ninety days after the date on which the Secretary has announced his decision on a previously proposed amendment to such order and the two proposed amendments are essentially the same.

(2) inserting after the phrase 'pure and wholesome milk' in section 8c(18) the phrase to meet current needs and further to assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs."

MILK PRICE SUPPORT, BUTTERFAT PRICE SUPPORT SUSPENSION

(3) Section 202 is amended by—

(A) striking the introductory clause which precedes subsection (a);

(B) effective April 1, 1974, inserting in subsection (b) before the period at the end of the first sentence in the quotation the following: "of pure and wholesome milk to meet current needs, reflect changes in the cost of production, and assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs"; and

(C) inserting in subsection (b) after the first sentence in the quotation the following: "Notwithstanding the foregoing, effective for the period beginning with the date of enactment of the Agriculture and Consumer Protection Act of 1973 and ending on March 31, 1975, the price of milk shall be supported at not less than 80 per centum of the parity price therefor."

TRANSFER OF DAIRY PRODUCTS TO THE MILITARY AND TO VETERANS HOSPITALS

(4) Section 203 is amended by striking out "1973" and inserting "1977".

DAIRY INDEMNITY PROGRAM

(5) Section 204 is amended by—

(A) striking out "1973" and inserting "1977"; and (B) striking subsection (b) and substituting therefor the following:

"(b) Section 1 of said Act is amended to read as follows:

"SECTION 1. The Secretary of Agriculture is authorized to make indemnity payments for milk or cows producing such milk at a fair market value, to dairy farmers who have been directed since January 1, 1964 (but only since the date of enactment of the Agriculture and Consumer Protection Act of 1973 in the case of indemnity payments not authorized prior to such date of enactment), to remove their milk, and to make indemnity payments for dairy products at fair market value to manufacturers of dairy products who have been directed since the date of enactment of the Agricultural Act of 1970 to remove their dairy products from commercial markets because of residues of chemicals registered and approved for use by the Federal Government at the time of such use. Any indemnity payment to any farmer shall continue until he has been reinstated and is again allowed to dispose of his milk on commercial markets."

DAIRY IMPORT STUDY

(6) Title II is amended by adding at the end thereof the following:

"Sec. 205. The Secretary of Agriculture is authorized and directed to carry out a comprehensive study to determine the effects upon domestic dairy producers, handlers, and processors and upon consumers of increases in the level of imports, if any, of dairy products and report his findings, together with any recommendations he may have with respect to import quotas or other matters, to the Congress of the United States no later than January 1, 1975. For the purposes of this section dairy products include (1) all forms of milk and dairy products, butterfat, milk solids-not-fat, and any combination or mixture thereof; (2) any article, compound, or mixture containing 5 per centum or more of butterfat, or milk solids-not-fat, or any combinations of the two; and (3) lactose, and other derivatives of milk, butterfat, or milk solids-not-fat, if imported commercially for any food use. Dairy products do not include (1) casein, caseinates, industrial casein, industrial caseinates, or any other industrial products, not to be used in any form for any food use, or an ingredient of food; or (2) articles not normally considered to be dairy products, such as candy, bakery goods, and other similar articles."

PRODUCER HANDLERS

"Sec. 206. The legal status of producer handlers of milk under the provisions of

the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, shall be the same subsequent to the adoption of the amendments made by the Agriculture Act of 1973 as it was prior thereto."

WOOL PROGRAM

(7) Section 301 is amended by—

(A) striking out "1973" each place it occurs and inserting "1977", and by striking out the word "three" each place it occurs; and (B) adding at the end thereof the following:

"(d) Strike out the first sentence of section 708 and insert the following: 'The Secretary of Agriculture is authorized to enter into agreements with or to approve agreements entered into between, marketing cooperatives, trade associations, or others engaged or whose members are engaged in the handling of wool, mohair, sheep, or goats or the products thereof for the purpose of developing and conducting on a national, State, or regional basis advertising and sales promotion programs and programs for the development and dissemination of information on product quality, production management, and marketing improvement, for wool, mohair, sheep, or goats or the products thereof. Advertising and sales promotion programs may be conducted outside of the United States for the purpose of maintaining and expanding foreign markets and uses for mohair or goats or the products thereof produced in the United States.'

WHEAT PROGRAM

WHEAT PRODUCTION INCENTIVES

(8) Effective beginning with the 1974 crop section 401 is amended by striking out "1971, 1972, and 1973" and inserting "1971 through 1977" and section 107 of the Agricultural Act of 1949, as it appears therein is amended by—

(A) amending section 107(a) to read as follows:

"(a) Loans and purchases on each crop of wheat shall be made available at such level as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains: *Provided*, That in no event shall such level be in excess of the parity price for wheat or less than \$1.37 per bushel."

(B) substituting the word "payments" for the word "certificates" in section 107(b);

(C) striking the quotation mark at the end of section 107(b); and

(D) adding at the end of the section the following:

"(c) Payments shall be made for each crop of wheat to the producers on each farm in an amount determined by multiplying (1) the amount by which the higher of—

"(1) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(2) the loan level determined under subsection (a) for such crop is less than the established price of \$2.05 per bushel in the case of the 1974 and 1975 crops, \$2.05 per bushel adjusted to reflect any change during the calendar year 1975 in the index prices paid by farmers for production items, interest, taxes, and wage rates in the case of the 1976 crop, and the established price for the 1976 crop adjusted to reflect any change during the calendar year 1976 in such index in the case of the 1977 crop, times in each case (ii) the allotment for the farm for such crop, times (iii) the projected yield established for the farm with such adjustments as the Secretary determines necessary to provide a fair and equitable yield: *Provided*, That any increase that would otherwise be made in the established price to reflect a change in the index of prices paid by farmers shall be adjusted to reflect any

time to permit institution of such plan by no later than June 30, 1974."

(j) Section 16(a) is amended by striking out in the first sentence "June 30, 1972, and June 30, 1973" and substituting "June 30, 1972, through June 30, 1977", and by inserting at the end of the first sentence of subsection (a) the following new sentence: "Sums appropriated under the provisions of this Act shall, notwithstanding the provisions of any other law, continue to remain available until expended."

(k) Section 10(h) is amended by adding at the end thereof the following: "Subject to such terms and conditions as may be prescribed by the Secretary, in the regulations issued pursuant to this Act, members of an eligible household who are sixty years of age or over or elderly persons and their spouses may also use coupons issued to them to purchase meals prepared by senior citizens' centers, apartment buildings occupied primarily by elderly persons, any public or nonprofit private school which prepares meals especially for elderly persons, any public or nonprofit private eating establishment which prepares meals especially for elderly persons during special hours, and any other public or nonprofit private establishment approved for such purpose by the Secretary. When an appropriate State or local agency contracts with a private establishment to offer, at concessional prices, meals prepared especially for elderly persons during regular or special hours, the Secretary shall permit eligible households who are sixty years of age or over or elderly persons and their spouses to use coupons issued to them to purchase such meals."

(l) Section 3(h) of the Food Stamp Act of 1964 (7 U.S.C. 2012(b)) is amended to read as follows: "The term 'food' means any food or food product for home consumption except alcoholic beverages and tobacco and shall also include seeds and plants for use in gardens to produce food for the personal consumption of the eligible household."

(m) Section 7(a) of the Food Stamp Act of 1964 (7 U.S.C. 2016(a)) is amended to read as follows:

"(a) The face value of the coupon allotment which State agencies shall be authorized to issue to any households certified as eligible to participate in the food stamp program shall be in such amount as the Secretary determines to be the cost of a nutritionally adequate diet, adjusted semiannually by the nearest dollar increment that is a multiple of two to reflect changes in the prices of food published by the Bureau of Labor Statistics in the Department of Labor to be implemented commencing with the allotments of January 1, 1974, incorporating the changes in the prices of food through August 31, 1973, but in no event shall such adjustments be made for value of the coupon allotment for such households, as calculated above, is a minimum of \$2.00."

(n) The following new section is added at the end of such Act:

"SEC. 17. Notwithstanding any other provision of this Act, members of eligible households living in the State of Alaska shall be permitted, in accordance with such rules and regulations as the Secretary may prescribe, to purchase hunting and fishing equipment for the purpose of procuring food for the household except firearms, ammunition, and other explosives, with coupons issued under this Act if the Secretary determines that (1) such households are located in an area of the State which makes it extremely difficult for members of such households to reach retail food stores, and (2) such households depend to a substantial extent on hunting and fishing for subsistence purposes."

(o) Section 3(f) of the Food Stamp Act of 1964 (7 U.S.C. 2012(f)) is amended by striking the second sentence and inserting in lieu thereof the following new sentence: "It shall also mean a political subdivision or a private nonprofit organization or insti-

tution that meets the requirements of sections 10(h) or 10(l) of this Act."

(p) Section 3(e) is amended by adding at the end thereof the following new sentence: "Residents of federally subsidized housing for the elderly, built under either section 202 of the Housing Act of 1959 (12 U.S.C. 1701q), or section 236 of the National Housing Act (12 U.S.C. 1715z-1) shall not be considered residents of an institution or boarding house for purposes of eligibility for food stamps under this Act."

COMMODITY DISTRIBUTION PROGRAM

Sec. 4. (a) Notwithstanding any other provision of law, the Secretary of Agriculture is hereby authorized until July 1, 1974 (1) to use funds available to carry out the provisions of section 32 of Public Law No. 320, Seventy-fourth Congress, as amended (7 U.S.C. 612c), and not expended or needed for such purpose to purchase, without regard to the provisions of existing law governing the expenditure of public funds, agricultural commodities and their products of the types customarily purchased under section 32 for donation to maintain the annually programmed level of assistance for schools, domestic relief distribution, and such other domestic food assistance programs as are authorized by law, and (2) if stocks of the Commodity Credit Corporation are not available, to use the funds of the Corporation to purchase agricultural commodities and the products thereof of the types customarily available under section 416 of the Agricultural Act of 1949 to meet such requirements.

(b) The Secretary is prohibited from furnishing commodities to summer camps as authorized under section 416 of the Agricultural Act of 1949, section 32 of Public Law 74-320, and section 709 of the Food and Agriculture Act of 1965 if the number of adults participating in the activities of such camp is in excess of one for each five children under 18 years of age participating in such activities.

(c) No individual who receives supplemental security income benefits under title XVI of the Social Security Act shall be considered to be a member of a household for any purpose of the Food Distribution Program for families under section 32 of P.L. 74-320, section 416 of the Agricultural Act of 1949, or other law for any month if such person receives for such month, as part of his supplemental security income benefits or payments described in section 1616(a) of the Social Security Act (if any), an amount equal to the bonus value of food stamps (according to the Food Stamp Schedule effective for July 1973) in addition to the amount of assistance such individual would be entitled to receive for such month under the provisions of the plan of the State approved under title I, X, XIV, or XVI, as appropriate, in effect for December 1973, assuming such plan were in effect for such month and such individual were aged, blind, or disabled, as the case may be, under the provisions of such State plan or under Public Law 92-603 as amended. The Secretary of Health, Education, and Welfare shall issue regulations for the implementation of the foregoing sentence after consultation with the Secretary of Agriculture.

SHORT TITLE.

Sec. 5. This Act may be cited as the "Agriculture and Consumer Protection Act of 1973".

HERMAN E. TALMADGE,
JAMES O. EASTLAND,
GEORGE McGOVERN,
JAMES B. ALLEN,
CARL T. CURTIS,
GEORGE D. AIKEN,
MILTON R. YOUNG,

Managers on the Part of the Senate.

W. R. POAGE,
THOMAS S. FOLEY,
B. F. SISK,
JOHN R. RARICK,
ED JONES,

Managers on the Part of the House.

Mr. HELMS. Mr. President, I inquire of the Chair as to the proper time to submit an amendment.

Mr. TALMADGE. Now would be all right.

Mr. HELMS. Mr. President, I send to the desk, on behalf of Senator THURMOND—

The PRESIDING OFFICER. Will the Senator withhold?

Mr. HELMS. Yes.

The PRESIDING OFFICER. There is a time limitation of 20 minutes on the substitute amendment which has just been sent to the desk. Does the Senator wish to intervene, notwithstanding the agreement that 20 minutes be allowed on that substitute?

Mr. TALMADGE. I do not think I will take my full 20 minutes. As soon as we get through, we will yield back time on the substitute, and then the Senator's amendment will be in order.

Mr. HELMS. I thank the Senator.

Mr. TALMADGE. Mr. President, the conferees met for a number of days. The bill was very complex. There were 111 differences. The conferees worked very hard in attempting to resolve them and did resolve 110 of them. However, there was one difference that could not be resolved, the House provision which prohibited the issuance of food stamps to strikers.

Because of this one difference, the conferees were forced to report in disagreement. I have submitted an amendment in the nature of a substitute incorporating the 110 items on which the conferees were in agreement.

In resolving the 110 differences, both the Senate and House conferees maintained the principal thrust and purpose of the bill as it passed the Senate.

The major provisions of the bill will be in effect for 4 years.

The target price concept, the escalator clause, increased dairy price supports, the bread tax removal, the extension of Public Law 480, the extension and expansion of the food stamp program, full protection of the aged, blind and disabled, the forestry incentives program, and the long-range environmental protection program are all included in the bill.

Target prices for wheat are set at \$2.05 for both 1974 and 1975, with the House escalator clause to be applicable both to 1976 and 1977. For feed grains, the target price is set at \$1.38 for corn, and for cotton at 38 cents per pound, with the escalator effective as in wheat.

Dairy price supports are to be at 80 percent of parity both for the remainder of the 1973-74 marketing year and for the 1974-75 marketing year as well.

The wheat certificate charge to processors expired on July 1, 1973.

The provisions of the bill relating to commodities are all designed to provide this Nation with an abundance of food and fiber yet still provide our farmers with the protection they so sorely need.

Mr. President, while the Senate conferees were unable to attain the levels of protection as originally envisioned, I believe that the compromises agreed to still accomplish our purposes, and I ask the Senate to approve this bill.

Mr. President, I wish to say that I have assurance from the distinguished Secretary of Agriculture, Mr. Butz, who

NAYS—34

Baker
Bartlett
Bellmon
Brock
Buckley
Byrd,
Harry F., Jr.
Chiles
Church
Cotton
Curtis
Dole

Domenici
Dominick
Eastland
Ervin
Fannin
Griffin
Gurney
Hansen
Helms
Hollings
Hruska
Johnston
Long
McClellan
McClure
Metcalfe
Nunn
Packwood
Roth
Scott, Va.
Talmadge
Thurmond
Tower

NOT VOTING—8

Abourezk
Bennett
Goldwater
Gravel
Hart
Hatfield
McGee
Stennis

So the motion to table the Helms amendment was agreed to.

Mr. TALMADGE. Mr. President, is all time expired on the substitute?

The PRESIDING OFFICER. All remaining time has been yielded back.

Mr. TALMADGE. Have the yeas and nays been ordered?

The PRESIDING OFFICER (Mr. BIDEN). The yeas and nays have been ordered. The question is on concurring in the House amendment with the amendment in the nature of a substitute therefor by the Senator from Georgia (Mr. TALMADGE). On this question, the yeas and nays have been ordered and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Michigan (Mr. HART), and the Senator from Wyoming (Mr. McGEE) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. ABOUREZK) is absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER) is absent because of illness in his family.

The Senator from Utah (Mr. BENNETT) and the Senator from Oregon (Mr. HATFIELD) are detained on official business.

If present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "yea."

The result was announced—yeas 85, nays 7, as follows:

[No. 358 Leg.]

YEAS—85

Aiken
Allen
Baker
Bartlett
Bayh
Bellmon
Bentsen
Bible
Biden
Brock
Brooke
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fulbright
Griffin
Gurney
Hansen
Hartke
Haskell
Hathaway
Helms
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mansfield
McClellan
McClure
McGovern
McIntyre
Metcalfe

Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Schweiker
Scott, Pa.
Scott, Va.
Sparkman
Stafford
Stevens
Stevenson
Symington
Talmadge
Thurmond
Tower
Tunney
Welcker
Williams
Young

NAYS—7

Beall
Buckley
Mathias
Ribicoff
Roth
Saxbe
Abourezk
Bennett
Goldwater
Gravel
Hart
Hatfield
Taft
McGee
Stennis

NOT VOTING—8

Gravel
Hart
Hatfield
McGee
Stennis

So the House amendment with the amendment of the Senator from Georgia (Mr. TALMADGE) in the nature of a substitute therefor was agreed to.

Mr. TALMADGE. Mr. President, I move that the Senate reconsider the vote by which the amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the printing of the conference report as a Senate report be waived, as the report will be printed by the House of Representatives.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

LIMITATION OF DEBATE ON FEDERAL HIGHWAY CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on the conference report on the Federal highway bill there be a limitation of 1 hour and 30 minutes, to be divided equally between the Senator from Texas (Mr. BENTSEN) and the Senator from Vermont (Mr. STAFFORD), and that the time on any debatable motion or appeal in relation thereto be limited to 10 minutes, to be equally divided in accordance with the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow, after the two leaders or their designees have been recognized under

the standing order, the distinguished Senator from Minnesota (Mr. HUMPHREY) be recognized for 15 minutes, and that he be followed by the junior Senator from West Virginia for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF DEPARTMENT OF THE INTERIOR APPROPRIATIONS BILL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the conclusion of the aforementioned orders for the recognition of Senators tomorrow, the Senate proceed to the consideration of H.R. 8917, a bill making appropriations for the Department of the Interior.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR SENATE TO PROCEED TO THE CONSIDERATION OF CONFERENCE REPORT ON THE FEDERAL AID TO HIGHWAYS ACT TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of H.R. 8917 tomorrow, the Senate proceed to the consideration of the conference report on the Federal highway bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF NOMINATION FOR DIRECTOR OF CENTRAL INTELLIGENCE AGENCY TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the conference report on the Federal aid to highways bill, the Senate go into executive session to consider the nomination of Mr. William E. Colby for the office of Director of the Central Intelligence Agency.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF S. 1033 TODAY VACATED

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the previous order providing for the consideration of S. 1033 at the close of business today, so as to make it the unfinished business on tomorrow, be vacated.

The PRESIDING OFFICER. Without objection, it is so ordered.

HOUSE CONCURRED, WITH AMENDMENT, IN THE

SENATE AMENDMENT TO THE

HOUSE AMENDMENT TO S. 1888

August 3, 1973

Al Pont
Eckhardt
Edwards, Calif.
Elberg
Eshelman
Evans, Colo.
F. S. Spell
F. N. Bradley
F. N. Flood
Flowers
Foley
Ford,
William D.
Forsythe
Fraser
Fulton
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Grasso
Green, Oreg.
Green, Pa.
Griffiths
Grover
Gude
Gunter
Hamilton
Hanley
Hansen, Wash.
Harrington
Harsha
Hastings
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Holifield
Holtzman
Horton
Howard
Hungate
Ichord
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kluczynski
Koch
Kyros
Leggett
Lehman
Lent
Lutton

Long, La.
Long, Md.
McCloskey
McCormack
McDade
McDowell
McFall
McKinney
McSpadden
Macdonald
Madden
Malliard
Maraziti
Mathias, Calif.
Matsunaga
Mazzoli
Meeds
Metalfe
Mezvinsky
Milford
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Natcher
Nedzi
Nichols
Nix
Obey
O'Hara
O'Neill
Owens
Passman
Patten
Perkins
Peyser
Pickle
Pike
Podell
Preyer
Price, Ill.
Pritchard
Randall
Range
Rees
Reid
Reuss
Riegels
Rinaldo
Rodino
Roe
Rogers
Roncallo, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal

NAYS—152

Davis, Wis.
Dellenback
Dennis
Derwinski
Devine
Dickinson
Downing
Duncan
Edwards, Ala.
Erlenborn
Esch
Flynt
Ford, Gerald R.
Fountain
Frelinghuysen
Frenzel
Frey
Froehlich
Fuqua
Gettys
Goldwater
Goodling
Gross
Gubser
Guyer
Haley
Hammer-
schmidt
Hanrahan
Hansen, Idaho
Harvey
Hinshaw
Hogan
Hoit
Hosmer
Huber
Hudnut

Rostenkowsky
Roush
Roy
Roybal
Runnels
Ruppe
St Germain
Sandman
Sarasin
Sarbanes
Madden
Malliard
Maraziti
Mathias, Calif.
Matsunaga
Mazzoli
Meeds
Metalfe
Mezvinsky
Milford
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Natcher
Nedzi
Nichols
Nix
Obey
O'Hara
O'Neill
Owens
Passman
Patten
Perkins
Peyser
Pickle
Pike
Podell
Preyer
Price, Ill.
Pritchard
Randall
Range
Rees
Reid
Reuss
Riegels
Rinaldo
Rodino
Roe
Rogers
Roncallo, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal

Quile
Quillen
Roupe
Ruppel
Runnels
Ruppe
St Germain
Sandman
Sarasin
Sarbanes
Saylor
Schroeder
Seiberling
Shipley
Sikes
Sisk
Skubitz
Slack
Meeds
Metalfe
Mezvinsky
Milford
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Natcher
Nedzi
Nichols
Nix
Obey
O'Hara
O'Neill
Owens
Passman
Patten
Perkins
Peyser
Pickle
Pike
Podell
Preyer
Price, Ill.
Pritchard
Randall
Range
Rees
Reid
Reuss
Riegels
Rinaldo
Rodino
Roe
Rogers
Roncallo, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal

NOT VOTING—28

Alexander
Blackburn
Boland
Brown, Mich.
Cleveland
Cotter
Dulski
Evins, Tenn.
Fisher
Gray

Hanna
Hébert
Boland
Brown, Mich.
Cleveland
Cotter
Dulski
Evins, Tenn.
Fisher
Gray

Pepper
Rooney, N.Y.
Ryan
Smith, Iowa
Wiggins
Wyman
Young, Alaska
Zwach

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Cotter for, with Mr. Hébert against.
Mr. Boland for, with Mr. Fisher against.
Mr. O'Brien for, with Mr. King against.
Mr. Young of Alaska for, with Mr. Landgrebe against.

Mr. Gray for, with Mr. Jarman against.
Mr. Cleveland for, with Mr. Blackburn against.

Mr. Alexander for, with Mr. Brown of Michigan against.

Until further notice:

Mr. Rooney of New York with Mr. Hanna.
Mr. Dulski with Mr. Mills of Arkansas.
Mr. Evans of Tennessee with Mr. Lujan.
Mr. Ryan with Mr. Wyman.
Mr. Smith of Iowa with Mr. Wiggins.
Mr. Patman with Mr. Zwach.
Mr. Pepper with Mr. Melcher.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DENT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the conference report just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

CONFERENCE REPORT ON S. 1888,
AGRICULTURE AND CONSUMER
PROTECTION ACT OF 1973

Mr. POAGE. Mr. Speaker, I call up the conference report on the bill (S. 1888) to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices.

The Clerk read the title of the bill.

The SPEAKER. The Clerk will read the conference report.

The Clerk read the conference report.

(For conference report and statement, see proceedings of the House of July 31, 1973.)

The SPEAKER. The Clerk will read the Senate amendment to the House amendment.

The Clerk proceeded to read the Senate amendment to the House amendment.

(For Senate amendment to House amendment, see proceedings of the Senate of July 31, 1973.)

Mr. POAGE (during the reading). Mr. Speaker, I ask unanimous consent to dispense with the further reading of the Senate amendment to the House amendment.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

MOTION OFFERED BY MR. POAGE

Mr. POAGE. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. POAGE moves to concur in the Senate amendment to the House amendment to the bill, S. 1888, with an amendment as follows: On page 48, line 14, in the engrossed Senate amendment, insert the following new subsection (d) to section 815 of paragraph 27:

"(d) The Secretary of Agriculture is directed to implement policies under this Act which are designed to encourage American farmers to produce to their full capabilities during periods of short supply to assure American consumers with an adequate supply of food and fiber at fair and reasonable prices."

PREFERENTIAL MOTION OFFERED BY MR. FINDLEY

Mr. FINDLEY. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

Mr. FINDLEY moves that the motion of the gentleman from Texas, Mr. POAGE, be laid on the table.

The SPEAKER. The question is on the preferential motion offered by the gentleman from Illinois (Mr. FINDLEY).

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. CONTE. Mr. Speaker, I demand a recorded vote.

A recorded vote was refused.

So the preferential motion was rejected.

The SPEAKER. The gentleman from Texas (Mr. POAGE) is recognized for 1 hour.

Mr. POAGE. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, for 6 months the general farm bill has traveled an arduous path but I believe our actions today can finally crystallize all the hard work the Congress has put into enacting a major new farm program. Hundreds of amendments have been considered, voted, rejected, or adopted to this bill as the will of the Congress has determined. Your conferees met at all hours and on weekends to resolve the differences between the Senate and House-passed bill—and were able to resolve 110 out of 111 of those differences.

Abiding by the position of the House, conferees insisted on the House position and prevailed on a vast majority of the issues in disagreement. Finally, on the last difference—the so-called Dickinson amendment—neither body was willing to budge from its adopted position and the conferees reported in disagreement.

Before us we have a bill that would have been the conference bill if we had not been forced to report in disagreement. It assures farmers they will not be

union, just as he should not be automatically entitled to it. He must be eligible for the stamps.

I am going the "second mile" this year on food stamp matters and, like many Members of this House, will hold in abeyance our judgment as to how this law will be enforced. It had better be enforced strongly.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. POAGE).

The question was taken; and the Speaker announced that the ayes appeared to have it.

RECORDED VOTE

Mr. TEAGUE of California. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 252, noes 151, not voting 30, as follows:

[Roll No. 430]

AYES—252

Abdnor	Ford, William D.	Mazzoli
Abzug	Fountain	Meeds
Addabbo	Froehlich	Mezvinsky
Alexander	Fulton	Minish
Anderson, Ill.	Fuqua	Mitchell, Md.
Andrews, N. Dak.	Gaydos	Mitchell, N.Y.
Annunzio	Gettys	Mizell
Ashley	Ginn	Moakley
Aspin	Gonzalez	Mollohan
Badillo	Green, Pa.	Montgomery
Barrett	Gross	Moorhead, Pa.
Beard	Gude	Morgan
Bergland	Guyer	Mosher
Bevill	Hamilton	Moss
Blaggi	Hammer-schmidt	Murphy, Ill.
Bingham	Hanley	Murphy, N.Y.
Blatnik	Hansen, Idaho	Natcher
Boggs	Hansen, Wash.	Nedzi
Bolling	Harsha	Neisen
Bowen	Hawkins	Nichols
Brademas	Hays	Nix
Brasco	Hechler, W. Va.	Obey
Breaux	Heilstoski	O'Hara
Brinkley	Henderson	O'Neill
Brooks	Hicks	Owens
Brotzman	Hillis	Passman
Brown, Calif.	Holifield	Patten
Brown, Ohio	Holtzman	Pepper
Broyhill, N.C.	Howard	Perkins
Burke, Calif.	Hungate	Pickle
Burke, Mass.	Ichord	Pike
Burleson, Tex.	Johnson, Calif.	Poage
Burleson, Mo.	Johnson, Colo.	Podell
Burton	Jones, Ala.	Preyer
Carey, N.Y.	Jones, N.C.	Price, Ill.
Carney, Ohio	Jones, Tenn.	Price, Tex.
Carl...	Jordan	Quie
Casey, Tex.	Karth	Railsback
Chappell	Kastenmeier	Randall
Chisholm	Kazan	Rangel
Clark	Keating	Rarick
Clay	Kluczynski	Regula
Cochran	Koch	Reuss
Conyers	Kuykendall	Riegle
Corman	Kyros	Roberts
Conyers	Landrum	Rodino
Daniels	Latta	Roe
Dominick V	Leggett	Roncalio, Wyo.
Danielson	Lehman	Rooney, Pa.
Davis, Ga.	Long, La.	Rose
Davis, S.C.	Long, Md.	Rosenthal
De la Garza	Lott	Rostenkowski
Delaney	McCloskey	Roush
DeLauer	McCollister	Roy
Dentholm	McCormack	Royal
Dorn	McFall	Runnels
Drees	McKay	Ruth
Dreier	McSpadden	St Germain
Domenici	Macdonald	Sarbanes
Doyle	Madden	Scherle
Dreier	Mahon	Schroeder
Domenici	Maillard	Sebelius
Domenici	Martin, Nebr.	Seiberling
Domenici	Mathias, Calif.	Shipley
Domenici	Mathis, Ga.	Shriver
Domenici	Matsunaga	Sikes
Domenici	Mayne	Sisk

Skubitz	Symington	Walsh
Slack	Taylor, Mo.	Wampler
Staggers	Teague, Tex.	White
Stanton,	Thompson, N.J.	Whitten
J. William	Thone	Charles H.,
Stanton,	Thornton	Calif.
James V.	Tiernan	Wilson,
Stark	Udall	Charles, Tex.
Steed	Ullman	Wright
Steiger, Wis.	Van Deerlin	Wyatt
Stephens	Vanik	Yates
Stokes	Veysey	Yatron
Stratton	Vigorito	Young, Ga.
Stubblefield	Waggoner	Young, Tex.
Stuckey	Waldie	Zablocki

NOES—151

Adams	Erlenborn	Millford
Anderson,	Esch	Minshall, Ohio
Calif.	Eshleman	Moorhead,
Andrews, N.C.	Findley	Calif.
Archer	Fish	Farris
Arends	Flynt	Pettis
Armstrong	Ford, Gerald R.	Powell, Ohio
Ashbrook	Forsythe	Pritchard
Bafalis	Frelinghuysen	Quillen
Baker	Frenzel	Rhodes
Bell	Frey	Rinaldo
Bennett	Giaimo	Robinson, Va.
Blester	Gibbons	Robison, N.Y.
Blackburn	Gilman	Rogers
Bray	Goldwater	Roncalio, N.Y.
Breckinridge	Goodling	Rousselot
Broomfield	Grasso	Sandman
Broyhill, Va.	Green, Oreg.	Sarasin
Buchanan	Grover	Satterfield
Burgener	Gubser	Saylor
Burke, Fla.	Gunter	Schneebeli
Butler	Haley	Shoup
Byron	Hanrahan	Shuster
Camp	Harrington	Smith, N.Y.
Cederberg	Harvey	Snyder
Chamberlain	Hastings	Spence
Clancy	Heckler, Mass.	Steele
Clausen,	Heinz	Steelman
Don H.	Hinshaw	Steiger, Ariz.
Clawson, Del	Hodson	Studds
Cohen	Hogan	Symms
Collier	Holt	Talcott
Collins, Tex.	Horton	Taylor, N.C.
Collins, Tex.	Hosmer	Teague, Calif.
Conable	Huber	Towell, Nev.
Conlan	Hudnut	Treen
Conte	Hunt	Vander Jagt
Coughlin	Hutchinson	Ware
Crane	Johnson, Pa.	Whalen
Cronin	Jones, Okla.	Whitehurst
Daniel, Dan	Kemp	Widnall
Daniel, Robert	Ketchum	Williams
W. Jr.	Lent	Wilson, Bob
Davis, Wis.	McClory	Winn
Dellenback	McDade	Wolf
Dennis	McEwen	Wydler
Derwinski	McKinney	Wylie
Devine	Madigan	Young, Fla.
Dickinson	Mallary	Young, Ill.
Downing	Mann	Young, S.C.
Duncan	Maraziti	Zion
du Pont	Martin, N.C.	
Edwards, Ala.	Michel	

NOT VOTING—30

Boland	Hébert	Peyser
Brown, Mich.	Jarman	Reid
Cleveland	King	Rooney, N.Y.
Collins, Ill.	Landgrebe	Ruppe
Cotter	Lujan	Ryan
Evins, Tenn.	Melcher	Smith, Iowa
Fisher	Metcalfe	Wiggins
Gray	Mills, Ark.	Wyman
Griffiths	O'Brien	Young, Alaska
Hanna	Patman	Zwach

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Gray for, with Mr. King against.

Mr. Young of Alaska for, with Mr. Wyman against.

Mr. O'Brien for, with Mr. Brown of Michigan against.

Mr. Lujan for, with Mr. Boland against.

Mr. Zwach for, with Mr. Cotter against.

Mr. Hébert for, with Mr. Peyser against.

Mr. Melcher for, with Mr. Cleveland against.

Mr. Reid for, with Mr. Landgrebe against.

Mr. Hanna for, with Mr. Ryan against.

Until further notice:

Mr. Rooney of New York with Mrs. Collins of Illinois.

Mr. Evans of Tennessee with Mr. Jarman.

Mr. Fisher with Mr. Ruppe.

Mr. Metcalfe with Mr. Wiggins.

Mr. Mills of Arkansas with Mr. Patman.

Mrs. Griffiths with Mr. Smith of Iowa.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. POAGE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report and on the motion just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

REQUEST TO CONSIDER SENATE CONCURRENT RESOLUTION 43, TECHNICAL CORRECTIONS IN ENROLLMENT OF S. 1888

Mr. POAGE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate concurrent resolution (S. Con. Res. 43) to make certain technical corrections in the enrollment of S. 1888.

The Clerk read the Senate concurrent resolution as follows:

S. CON. RES. 43

Resolved by the Senate (the House of Representatives concurring), That in the enrollment of the bill (S. 1888) to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices, the Secretary of the Senate be, and he is hereby, authorized and directed to make the following corrections in the text of the bill as finally approved by the two Houses.

On page 7, line 2, strike the quotation marks.

On page 20, line 3, strike "(a)".

On page 28, at the end of line 17, insert a comma.

On page 28, line 18, strike out "(C)" and insert "(D)".

On page 29, line 10, after the quotation marks, insert a comma.

On page 29, line 11, strike out "(D)" and insert "(E)".

On page 29, line 16, strike out "(E)" and insert "(F)".

On page 29, line 19, strike out the period and insert "and".

On page 29, line 20, strike out "(F)" and insert "(G)".

On page 40, line 20, before the first word, insert quotation marks and "Sec. 703."

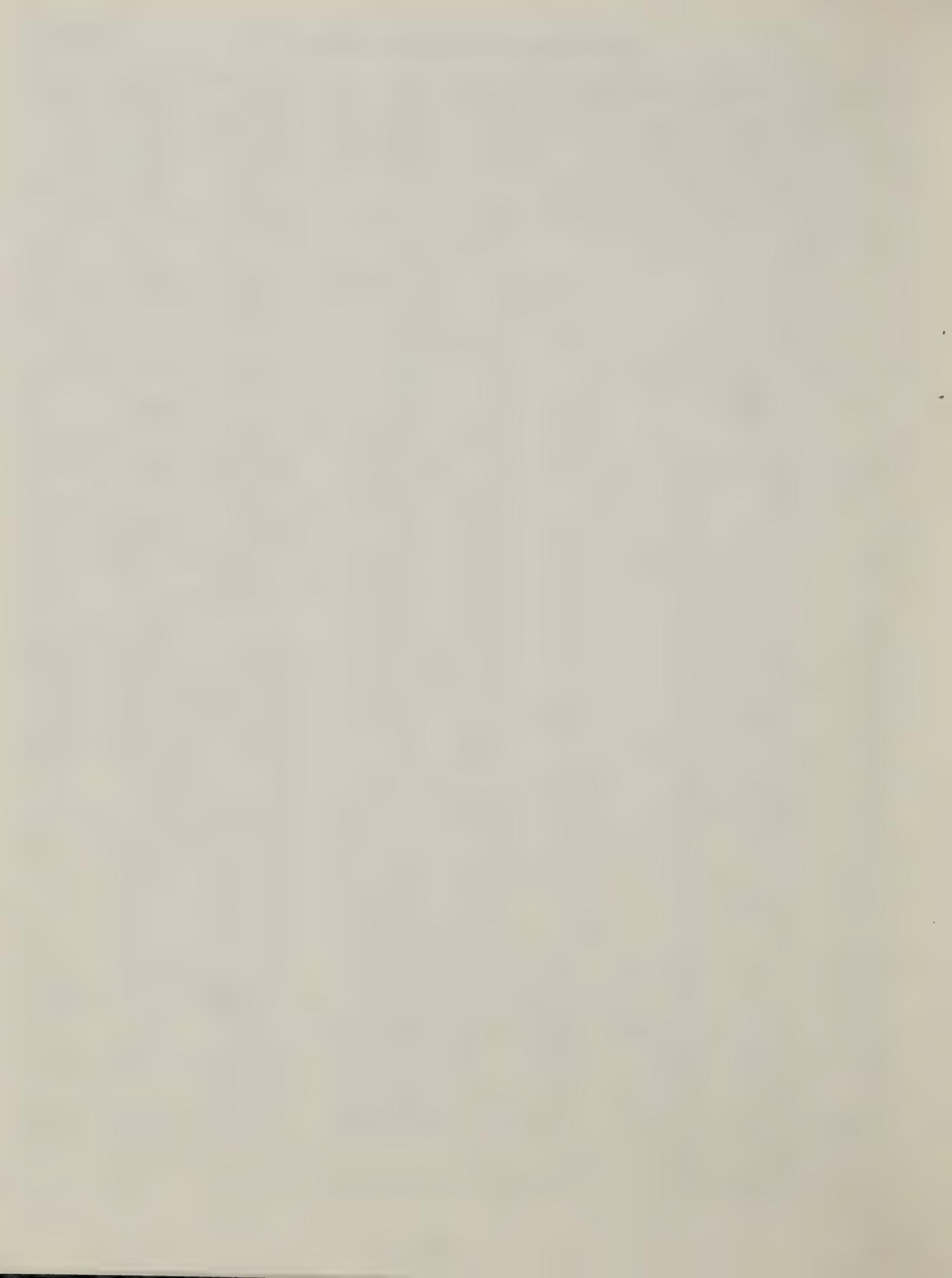
On page 40, line 21, strike out the double quotation marks and insert single quotation marks.

On page 40, line 23, strike out the period and the double quotation marks and insert single quotation marks and a period.

On page 45, line 12, strike out the quotation marks.

Strike out the matter which begins with line 18 on page 52 and ends with line 19 on page 53, and insert such matter on page 54 after the last line on that page.

On page 67, line 13, after "amended", insert "(1)".



SENATE CONCURRED IN THE HOUSE AMENDMENT

TO THE SENATE AMENDMENT TO S. 1888, CLEARING THE

MEASURE FOR THE WHITE HOUSE

August 3, 1973

August 3, 1973

CONGRESSIONAL RECORD — SENATE

S 15821

* There being no objection, the letter as order to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, August 3, 1973.

Hon. MIKE MANSFIELD,
Majority Leader,
U.S. Senate, Washington, D.C.

DEAR SENATOR MANSFIELD: By legislative action the Congress has required an end to American bombing in Cambodia on August 15th. The wording of the Cambodia rider is unmistakable; its intent is clear. The Congress has expressed its will in the form of law and the Administration will obey that law.

I cannot do so, however, without stating my grave personal reservations concerning the dangerous potential consequences of this measure. I would be remiss in my constitutional responsibilities if I did not warn of the hazards that lie in the path chosen by Congress.

Since entering office in January of 1969, I have worked ceaselessly to secure an honorable peace in Southeast Asia. Thanks to the support of the American people and the gallantry of our fighting men and allies, a cease-fire agreement in Vietnam and a political settlement in Laos have already been achieved. The attainment of a settlement in Cambodia has been the unremitting effort of this Administration, and we have had every confidence of being able to achieve that goal. With the passage of the Congressional act, the incentive to negotiate a settlement in Cambodia has been undermined, and August 15 will accelerate this process.

This abandonment of a friend will have a profound impact in other countries, such as Thailand, which have relied on the constancy and determination of the United States, and I want the Congress to be fully aware of the consequences of its action. For my part, I assure America's allies that this Administration will do everything permitted by Congressional action to achieve a lasting peace in Indochina. In particular, I want the brave and beleaguered Cambodian people to know that the end to the bombing in Cambodia does not signal an abdication of America's determination to work for a lasting peace in Indochina. We will continue to provide all possible support permitted under the law. We will continue to work for a durable peace with all the legal means at our disposal.

I can only hope that the North Vietnamese will not draw the erroneous conclusion from this Congressional action that they are free to launch a military offensive in other areas in Indochina. North Vietnam would be making a very dangerous error if it mistook the cessation of bombing in Cambodia for an invitation to fresh aggression or further violations of the Paris Agreements. The American people would respond to such aggression with appropriate action.

I have sent an identical letter to the Speaker of the House.

Sincerely,

RICHARD NIXON.

ORDER FOR THE PRESIDENT TO BE NOTIFIED OF THE CONFIRMATION OF NOMINATIONS

Mr. MANSFIELD. Mr. President, with respect to the nominations which were confirmed by the Senate today and those which have been confirmed heretofore but as to which this request has not been made, I ask unanimous consent that the President be notified of their confirmation.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 6 P.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess until 6 p.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Thereupon, at 5:20 p.m., the Senate took a recess until 6 p.m., whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. MANSFIELD).

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ROBERT C. BYRD). Without objection, it is so ordered.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess, subject to the call of the Chair.

There being no objection, and at 6:04 p.m., the Senate took a recess, subject to the call of the Chair.

The Senate reassembled at 6:07 p.m. when called to order by the Presiding Officer (Mr. ROBERT C. BYRD).

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7935) to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rates under that Act, to expand the coverage of that Act, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 8510) to authorize appropriations for activities of the National Science Foundation, and for other purposes.

The message further announced that the House had agreed to the amendment of the Senate to the amendment of the House to the bill (S. 1888) to extend and amend the Agricultural Act of 1970 for

the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices, with an amendment, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions:

H.R. 3630. An act to extend until September 30, 1975, the suspension of duty on certain dyeing and tanning products and to include logwood among such products;

H.R. 4083. An act to improve the laws relating to the regulation of insurance in the District of Columbia, and for other purposes;

H.R. 5649. An act to extend until November 1, 1978, the existing exemption of the steamboat *Delta Queen* from certain vessel laws;

H.R. 6676. An act to continue until July 1, 1976, the existing suspension of duty on manganese ore, and for other purposes;

H.R. 6713. An act to amend the District of Columbia Election Act regarding the times for filing certain petitions, regulating the primary election for Delegate from the District of Columbia, and for other purposes;

H.R. 7935. An act to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rates under that act, to expand the coverage of that act, and for other purposes;

H.R. 8510. An act to authorize appropriations for activities of the National Science Foundation, and for other purposes;

H.J. Res. 52. Joint Resolution authorizing the President to proclaim August 26, 1973, as "Women's Equality Day"; and

H.J. Res. 466. Joint Resolution authorizing the President to proclaim the second full week in October, 1973, as "National Legal Secretaries' Court Observance Week."

The ACTING PRESIDENT pro tempore (Mr. METCALF) subsequently signed the enrolled bills and joint resolutions, as follows: H.R. 3630, H.R. 4083, H.R. 5649, H.R. 6676, H.R. 6713, H.R. 8510, House Joint Resolution 52, and House Joint Resolution 466.

QUORUM CALL

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION AND AMENDMENT OF THE AGRICULTURAL ACT OF 1970

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1888, an Act to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices.

The PRESIDING OFFICER (Mr. ROBERT C. BYRD) laid before the Senate the following message:

August 3, 1973

Resolved, That the House agree to the amendment of the Senate to the amendment of the House to the bill (S. 1868) entitled "An Act to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices", with the following amendment:

On page 48, after line 13 of the Senate engrossed amendment, insert:

"(d) The Secretary of Agriculture is directed to implement policies under this Act which are designed to encourage American farmers to produce to their full capabilities during periods of short supply to assure American consumers with an adequate supply of food and fiber at fair and reasonable prices."

Mr. MANSFIELD. Mr. President, I move that the Senate concur in the amendment of the House to the amendment of the Senate.

The motion was agreed to.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. MANSFIELD. Mr. President, I move that the Senate stand in recess, subject to the call of the Chair.

The motion was agreed to; and at 6:11 p.m. the Senate took a recess, subject to the call of the Chair.

The Senate reassembled at 6:40 p.m., when called to order by the Presiding Officer (Mr. ROBERT C. BYRD).

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8658) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1974, and for other purposes; that the House receded from its disagreement to the amendment of the Senate numbered 6 to the bill and concurred therein, with an amendment, in which it requested the concurrence of the Senate; and that the House receded from its disagreement to the amendment of the Senate numbered 21 to the bill, and concurred therein.

DISTRICT OF COLUMBIA APPROPRIATIONS BILL, 1974—CONFERENCE REPORT

Mr. BAYH. Mr. President, I submit a report of the committee of conference on H.R. 8658, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. ROBERT C. BYRD). The report will be stated by title.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8658) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for

the fiscal year ending June 30, 1974, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of July 30, 1973, at pp. H6827-H6828.)

Mr. BAYH. Mr. President, I shall make only a few brief remarks.

The total appropriation of Federal funds allowed in conference on H.R. 8658 for the District of Columbia is \$417,717,000, an increase of \$101,324,000 over last year, \$15,281,000 below the President's budget request, \$10 million below the House bill, and the same amount recommended in the Senate bill.

In terms of District of Columbia funds, the conference allowed \$554,731,200, an increase of \$51,789,400 over last year, \$36,492,800 below the President's budget estimates, \$9,477,800 below the House bill, and \$3,928,300 below the Senate bill.

Mr. President, the conferees again present a balanced budget for the District of Columbia for consideration by the Senate.

Mr. President, this bill is the product of a great deal of work and effort on the part of both houses to reach a compromise.

In my judgment, it is a good bill. The amounts provided for some items are not entirely to my satisfaction; however, in the main, there will be adequate funds to meet the necessary expenses and to conduct most high-priority programs of the District of Columbia. I think that anyone who has studied our bill and compared it with the House measure would see that a great many of the matters that are of significant importance to the Senate are incorporated in this bill.

Mr. President, this was my first experience in chairing a conference on the differences between the House and Senate versions of an appropriations bill. There was the necessary give and take on both sides. However, I must say that this conference was a pleasant experience for me because we were able to resolve our differences with the House conferees in an atmosphere of cordiality and rationality.

I wish to express my thanks to the distinguished Senator from Maryland (Mr. MATHIAS) for his support and assistance during the conference.

Mr. President, as you may recall, the House action on the District of Columbia bill resulted in the deletion of virtually all new and improved programs. The Senate's bill restored a number of these new and improved programs—and still maintained the same Federal payment level as approved by the House. By directing certain economies and adjustments the Senate bill is able to reflect a number of increases over the House allowance within the framework of a balanced budget.

Mr. President, it was necessary for the Senate to compromise in a number of areas. However, I would like to highlight some of the positive aspects of the programs agreed to in conference.

The largest single increase agreed to in conference is for the public school system. The amount provided in the bill together with \$1.5 million in unanticipated impact aid funds received by the school system toward the close of the fiscal year will allow the schools to strengthen the public education system—especially in the junior high schools and in the area of special education.

In the area of public assistance the committee has included funds to allow the District to implement that provision of its welfare reform effort which will provide a cost-of-living increase in public assistance payments next April 1.

This increase will be partially funded as a result of new moneys included in the Senate bill and partially by requiring the District to do a better job of scrutinizing its budget and supervising those who are administering it—including paying closer attention to assure that only those who are eligible for public assistance receive such payments.

The conferees also included \$1 million above the amount requested by the District for day care programs. The committee has added these funds in anticipation that an expanded day care program will lead to a reduction in the public assistance caseload as more families are helped to achieve economic independence.

The conferees have also recommended increases which will allow the District to strengthen its efforts to protect children from abuse and neglect and to provide new family shelter facilities.

The conferees provided 50 new positions for increased care and treatment of the mentally retarded at the Forest Haven facility.

Additional funds are also provided in the area of alcoholism treatment and prevention.

In the capital outlay area of the budget the conferees have included all those projects recommended by the House. However, the conferees provided \$10 million less than the amount provided in the House bill with the understanding that the city would submit a reprogramming proposal to redirect surplus funds previously appropriated for construction at the Lorton Correctional Complex to make up the \$10 million reduction.

Mr. President, I ask unanimous consent to place in the RECORD the customary table showing in detail the conference action and all of the comparative figures.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

CONCLUSION

Mr. BAYH. Mr. President, in closing, let me state that I thought the Senate bill was a good one. The conference report before you today provides for a good bill. All of the programs funded in the bill are important to the citizens of the District of Columbia and the many tourists who visit our Nation's Capital every year. These programs are important to



An Act

To extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Agricultural Act of 1970 is amended as follows:

(1) Title I is amended to read as follows:

Agriculture and Consumer Protection Act of 1973.
84 Stat. 1358.
7 USC 1305 note.

~~"TITLE I—PAYMENT LIMITATION"~~

~~"Sec. 101. Notwithstanding any other provision of law—~~

~~"(1) The total amount of payments which a person shall be entitled to receive under one or more of the annual programs established by titles IV, V, and VI of this Act for the 1974 through 1977 crops of the commodities shall not exceed \$20,000.~~

~~"(2) The term 'payments' as used in this section shall not include loans or purchases, or any part of any payment which is determined by the Secretary to represent compensation for resource adjustment or public access for recreation.~~

"Payments."

~~"(3) If the Secretary determines that the total amount of payments which will be earned by any person under the program in effect for any crop will be reduced under this section, the set-aside acreage for the farm or farms on which such person will be sharing in payments earned under such program shall be reduced to such extent and in such manner as the Secretary determines will be fair and reasonable in relation to the amount of the payment reduction.~~

Set-aside acreage, reduction.

~~"(4) The Secretary shall issue regulations defining the term 'person' and prescribing such rules as he determines necessary to assure a fair and reasonable application of such limitation: *Provided, That the provisions of this Act which limit payments to any person shall not be applicable to lands owned by States, political subdivisions, or agencies thereof, so long as such lands are farmed primarily in the direct furtherance of a public function, as determined by the Secretary. The rules for determining whether corporations and their stockholders may be considered as separate persons shall be in accordance with the regulations issued by the Secretary on December 18, 1970.*"~~

Regulations.

87 STAT. 221

87 STAT. 222

DAIRY PROGRAM

MILK MARKETING ORDERS

(2) Section 201 is amended by—

7 USC 608c note.

~~(A) amending section 201(e) by striking out "1973" and inserting "1977", and by striking out "1976" and inserting "1980", and~~

~~(B) adding at the end thereof the following:~~

~~"(f) The Agricultural Adjustment Act as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended by:~~

~~"(1) striking the period at the end of subsection 8c(17) and adding in lieu thereof the following: '*Provided further, That if one-third or more of the producers as defined in a milk order apply in writing for a hearing on a proposed amendment of such order, the Secretary shall call such a hearing if the proposed amendment is one that may legally be made to such order. Subsection (12) of this section shall not be construed to permit any cooperative to act for its members in an application for a hearing under the foregoing proviso and nothing in such proviso shall be*'~~

49 Stat. 761.
7 USC 608c.

construed to preclude the Secretary from calling an amendment hearing as provided in subsection (3) of this section. The Secretary shall not be required to call a hearing on any proposed amendment to an order in response to an application for a hearing on such proposed amendment if the application requesting the hearing is received by the Secretary within ninety days after the date on which the Secretary has announced his decision on a previously proposed amendment to such order and the two proposed amendments are essentially the same.'

50 Stat. 247.

"(2) inserting after the phrase 'pure and wholesome milk' in section 8c(18) the phrase 'to meet current needs and further to assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs'."

MILK PRICE SUPPORT, BUTTERFAT PRICE SUPPORT SUSPENSION

84 Stat. 1361.
7 USC 1446 and
note.

87 STAT. 222
87 STAT. 223

(3) Section 202 is amended by—

- (A) striking the introductory clause which precedes subsection (a);
- (B) effective April 1, 1974, inserting in subsection (b) before the period at the end of the first sentence in the quotation the following: "of pure and wholesome milk to meet current needs, reflect changes in the cost of production, and assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs"; and
- (C) inserting in subsection (b) after the first sentence in the quotation the following: "Notwithstanding the foregoing, effective for the period beginning with the date of enactment of the Agriculture and Consumer Protection Act of 1973 and ending on March 31, 1975, the price of milk shall be supported at not less than 80 per centum of the parity price therefor."

TRANSFER OF DAIRY PRODUCTS TO THE MILITARY AND TO VETERANS HOSPITALS

7 USC 1446a.

(4) Section 203 is amended by striking out "1973" and inserting "1977".

DAIRY INDEMNITY PROGRAM

7 USC 4501.
Milk removal.
84 Stat. 1362.
7 USC 450j.

84 Stat. 1358.
7 USC 1305
note.

(5) Section 204 is amended by—

- (A) striking out "1973" and inserting "1977"; and
- (B) striking subsection (b) and substituting therefor the following:

"(b) Section 1 of said Act is amended to read as follows:
"SECTION 1. The Secretary of Agriculture is authorized to make indemnity payments for milk or cows producing such milk at a fair market value, to dairy farmers who have been directed since January 1, 1964 (but only since the date of enactment of the Agriculture and Consumer Protection Act of 1973 in the case of indemnity payments not authorized prior to such date of enactment), to remove their milk, and to make indemnity payments for dairy products at fair market value to manufacturers of dairy products who have been directed since the date of enactment of the Agricultural Act of 1970 to remove their dairy products from commercial markets because of residues of chemicals registered and approved for use by the Federal Government at the time of such use. Any indemnity payment to any farmer shall continue until he has been reinstated and is again allowed to dispose of his milk on commercial markets."

DAIRY IMPORT STUDY

(6) Title II is amended by adding at the end thereof the following: 84 Stat. 1359.

"SEC. 205. The Secretary of Agriculture is authorized and directed to carry out a comprehensive study to determine the effect upon domestic diary producers, handlers, and processors and upon consumers of increases in the level of imports, if any, of dairy products and report his findings, together with any recommendations he may have with respect to import quotas or other matters, to the Congress of the United States no later than January 1, 1975. For the purposes of this section dairy products include (1) all forms of milk and dairy products, butterfat, milk solids-not-fat, and any combination or mixture 87 STAT. 223 thereof; (2) any article, compound, or mixture containing 5 per 87 STAT. 224 centum or more of butterfat, or milk solids-not-fat, or any combinations of the two; and (3) lactose, and other derivatives of milk, butterfat, or milk solids-not-fat, if imported commercially for any food use. Dairy products do not include (1) casein, caseinates, industrial casein, industrial caseinates, or any other industrial products, not to be used in any form for any food use, or an ingredient of food; or (2) articles not normally considered to be dairy products, such as candy, bakery goods, and other similar articles."

Report to
Congress.

"PRODUCER HANDLERS

"SEC. 206. The legal status of producer handlers of milk under the provisions of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, shall be the same subsequent to the adoption of the amendments made by the Agriculture Act of 1973 as it was prior thereto."

48 Stat. 31;
50 Stat. 246.
7 USC 601 note.

WOOL PROGRAM

(7) Section 301 is amended by—
(A) striking out "1973" each place it occurs and inserting 84 Stat. 1362.
"1971", and by striking out the word "three" each place it occurs; 7 USC 1782.
and

(B) adding at the end thereof the following:
(6) Strike out the first sentence of section 708 and insert the following: "The Secretary of Agriculture is authorized to enter into 68 Stat. 912.
agreements with, or to approve agreements entered into between, marketing cooperatives, trade associations, or others engaged or whose 7 USC 1787.
members are engaged in the handling of wool, mohair, sheep, or goats or the products thereof for the purpose of developing and conducting on a national, State, or regional basis advertising and sales promotion programs and programs for the development and dissemination of information on product quality, production management, and marketing improvement, for wool, mohair, sheep, or goats or the products thereof. Advertising and sales promotion programs may be conducted outside of the United States for the purpose of maintaining and expanding foreign markets and uses for mohair or goats or the products thereof produced in the United States."

Price supports.

WHEAT PROGRAM

WHEAT PRODUCTION INCENTIVES

(8) Effective beginning with the 1974 crop section 401 is amended 84 Stat. 1362.
by striking out "1971, 1972, and 1973" and inserting "1971 through 7 USC 1445a
1977" and section 107 of the Agricultural Act of 1949, as it appears and note.
therein is amended by—

~~Public Law 92-603 as amended. The Secretary of Health, Education, and Welfare shall issue regulations for the implementation of the foregoing sentence after consultation with the Secretary of Agriculture.~~ 86 Stat. 1484. 42 USC 401 note.

SHORT TITLE

SEC. 5. This Act may be cited as the "Agriculture and Consumer Protection Act of 1973".

Approved August 10, 1973.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 93-337 accompanying H.R. 8860 (Comm. on Agriculture)

and No. 93-427 (Comm. of Conference).

SENATE REPORT No. 93-173 (Comm. on Agriculture and Forestry).

CONGRESSIONAL RECORD, Vol. 119 (1973):

June 5-8, July 31, Aug. 3, considered and passed Senate.

July 10-12, 16, 19, Aug. 3, considered and passed House.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 9, No. 32:

Aug. 10, Presidential statement.

SENATE PASSED

S. 2419

Corrected typographical and clerical
errors in Public Law 93-86

September 17, 1973

A nationwide survey revealed that only one-half of fathers of young men looked favorably on having their sons serve in the armed forces.

A number of similar nationwide surveys indicate that less than one-quarter of young men of military age are favorably inclined toward entering military service.

Market surveys show that awareness of Army opportunities is low among the 17-to-21-year-old target group from which most new volunteers are drawn.

I have other concerns. We will have to pay a premium price to attract the last increment of men of the quality required to man the present level of forces—both active and reserves—forces equipped with highly technical equipment. In the final analysis, the size of our forces will be determined by the number of men that can be recruited—not by the security requirement. There is also a danger that the high personnel costs will affect the balance in the defense budget between manpower and modernization of equipment. With the manpower price tag so high, there will be a tendency to cut other programs within a given defense ceiling in an effort to maintain an established force level. Looking to the future, if mobilization is dictated by the international situation, the cost of manpower expansion would be tremendous and such realization could serve as a deterrent to improving our defense posture, perhaps to the disinterest of our national security.

The social and quality composition of our security forces in a truly volunteer environment also bothers me. As we kill the draft, we set aside the traditional concept that a citizen has an obligation to serve his country. I deplore the prospect of our military forces not representing a cross section of our society. Without the draft, few representatives of the affluent families will serve. This prospect is undesirable.

I have searched for a concept that might satisfy in a practical way the advantages of a volunteer force without abandoning the draft entirely and the contributions it provides. By continuing Selective Service using the lottery system, an inducement will be provided for enlistment in the regular services and the vital reserves. Draft quotas would be issued if and when required with selection by lottery to make up for the short fall in enlistment in both the regular and reserve forces. It should be recognized that the organized reserves and the National Guard have maintained their volunteer strength in the past only because of the draft.

Under such a concept, draft calls would be low and for periods unnecessary. Current pay scales, efforts to improve service attractiveness, and dynamic recruiting programs will attract all but a small increment of the manpower needed. Only young men preparing themselves to become officers would be exempt from the draft; this would stimulate greater interest in R.O.T.C. and the service academies. The inducement of the draft would, at a lower cost, bring men into uniform from a cross section of the economic strata of our society. In addition, the bonus effect of registration, physical examinations, aptitude tests, and the continuation of the principle of service to country would be healthy contributions to the society. Our forces would be fully manned.

Under this concept, we would have, in my opinion, a volunteer force of 90 per cent or more. It would approach a zero-draft. It would be a force that would meet our military requirements at a comparatively lower cost, manned by representatives of all segments of our society, and capable of rapid expansion when the situation demanded. It would be a citizen's force primarily of volunteers.

As a nation, we have moved too fast in eliminating the draft. There are uncertainties as to the wisdom of the program.

ORDER FOR ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in adjournment until 10 a.m. tomorrow.

The PRESIDING OFFICER (Mr. JOHNSTON). Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF S. 4 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, on tomorrow, immediately after the two leaders or their designees have been recognized under the standing order, the Senate proceed to the consideration of S. 4.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there any further morning business? If not, morning business is concluded.

S. 2419—TO CORRECT TYPOGRAPHICAL AND CLERICAL ERRORS IN PUBLIC LAW 93-86

Mr. TALMADGE. Mr. President, on behalf of myself as chairman of the committee, and the ranking minority member, the distinguished Senator from Nebraska (Mr. CURTIS), I send to the desk a bill to correct typographical and clerical errors in Public Law 93-86. It has been cleared by the minority. It makes no changes in substantive law, and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. Is there objection to first and second reading?

There being no objection, the bill was read the first time by title and the second time at length, as follows:

S. 2419

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Public Law 93-86 is amended as follows:

(a) Paragraph (6) of section 1 is amended by—

- (1) striking "diary" and inserting "dairy".
- (ii) striking the quotation marks following "articles.", and
- (iii) striking "Agriculture Act of 1973" and inserting "Agriculture and Consumer Protection Act of 1973".

(b) Paragraphs (8), and (20) of section 1 are each amended by striking the comma from that part reading: "If the Secretary determines that the producers are prevented from planting, any portion".

(c) Paragraph (12) of section 1 is amended by striking "(12)(a)" and inserting "(12)".

(d) Paragraph (18) of section 1 is amended by—

(i) revising the first paragraph (C) appearing therein so that the quoted sentence contained therein is placed immediately after "follows:" and does not constitute a separate paragraph,

(ii) redesignating the second paragraph (C) appearing therein and paragraphs (D), (E), and (F) as (D), (E), (F), and (G), respectively,

(iii) inserting a comma at the end of the first paragraph (C) and at the end of paragraph (D) as so redesignated, and

(iv) striking the period at the end of paragraph (F) as so redesignated and inserting a comma and the word "and".

(e) The second paragraph of paragraph (26) of section 1 is amended by—

(i) inserting double quotation marks and "Sec. 703." at the beginning thereof,

(ii) striking the double quotation marks which precede the word "and" and inserting a single quotation mark, and

(iii) striking the period and double quotation marks at the end thereof and inserting a single quotation mark followed by a period.

(f) Quoted section 812 contained in paragraph (27)(B) of section 1 is amended by striking out the quotation marks at the end thereof.

(g) Paragraph (28) of section 1 is amended by—

(i) striking out paragraphs (1) through (4) appearing in quoted section 1001 and inserting said paragraphs in quoted section 1003(a) immediately before paragraph (5), and

(ii) changing the colon at the end of quoted section 1007(a) to a period.

(h) Section 3(b) is amended by striking "foregoing" and inserting "foregoing".

(i) Section 3(1) is amended by inserting "(1)" after the word "amended".

(j) The final sentence of section 3(k) is amended by inserting "members of" after "permit".

(k) Section 3(m) is amended by striking "for value" and inserting "for households of a given size unless the increase in the face value".

The PRESIDING OFFICER. Is there objection to the consideration of the bill at this time?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed.

STATE, JUSTICE, AND COMMERCE, THE JUDICIARY AND RELATED AGENCIES APPROPRIATIONS, 1974

The PRESIDING OFFICER (Mr. JOHNSTON). Under the previous order, the Senate will now proceed to the consideration of H.R. 8916 which the clerk will state.

The legislative clerk read as follows:

A bill (H.R. 8916) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary and related agen-

HOUSE SUSPENDED RULES

AND PASSED S. 2419

October 1, 1973

the degree of support among the interested parties for each such alternative.

b) The plan shall be prepared by the Secretary pursuant to the provisions of subsections (c) and (d) of this section and such rules and regulations as the Secretary may prescribe in accordance with section 7 of this Act.

c) The Secretary shall prepare a plan which shall best serve the interests of all those entities and individuals entitled to receive the funds of each Indian judgment. Prior to final preparation of the plan, the Secretary shall—

(1) receive and consider any resolution or communication, together with any suggested distribution plan, which any affected Indian tribe, band, group, pueblo, or community may submit to him; and

(2) hold a hearing or hearings of record, after appropriate public notice, to obtain the testimony of leaders and members of the Indian tribe, band, group, pueblo, or community who may receive any portion, or be affected by the distribution, of such funds. Such hearing or hearings shall be held in the area or areas in which such Indian tribe, band, group, pueblo, or community resides and at a time or times which shall best serve the convenience of eligible members thereof.

d) In preparing a plan for the distribution of the funds of each Indian judgment, the Secretary shall, among other things, be assured that—

(1) legal financial, and other expertise of the Department of the Interior has been made fully available in an advisory capacity to the Indian tribe, band, group, pueblo, or community which is entitled to such funds to assist it to develop and communicate to the Secretary pursuant to subsection (c) its suggested plan for the distribution and use of such funds;

(2) the needs and desires of any groups or individuals who are in a minority position but who are also entitled to receive such funds have been fully considered;

(3) the interests of minors and others equally incompetent who are entitled to receive any portion of such funds and such portions as are subsequently distributed to them are and will be protected and preserved.

4) the constitution, bylaws, rules, or procedures of such Indian tribe, band, group, pueblo or community which relate to enrollment, eligibility to share in the distribution of such funds, and decisionmaking concerning the distribution of such funds accord with the principles of due process and equal protection.

5) a significant portion, as defined in section 8 of this Act, of the net distributable funds shall be set aside and programmed to serve common tribal, band, group, pueblo, or community needs, educational requirements, and such other purposes as the circumstances of the affected Indian tribe, band, group, tribe or community may justify; and

6) methods exist and will be employed to insure the proper performance of the plan once it becomes effective pursuant to section 5 of this Act.

CONGRESSIONAL REVIEW

Sec. 5. a) Congress shall have sixty calendar days from the date of submission of a plan by the Secretary in order to review such plan.

b) Such plan shall become effective and the distribution of Indian judgment funds provided for by such plan shall be made by the Secretary upon the expiration of such sixty-day period.

c) The full sixty-day period, or any portion thereof, may be waived by committee resolutions of the Committees on Interior and Insular Affairs of both the Senate and the House of Representatives. Such plan shall become effective and the distribution of such

funds shall be made upon the effective date of the waiver of the committees of the Congress.

(d) Such plan shall not become effective and no distribution of such funds shall be made if, within such sixty-day period, a committee resolution disapproving such plan is passed by either House of Congress.

(e) Within thirty calendar days of the date of passage of a committee resolution disapproving a plan, the Secretary shall propose legislation embodying such plan, together with whatever changes the Secretary deems appropriate.

PROCEDURES IN ABSENCE OF A PLAN

Sec. 6. Whenever the Secretary determines that circumstances do not permit the preparation of a plan for the distribution of funds of an Indian judgment which shall meet the policies or purposes of this Act or the requirements of section 7 or whenever he shall determine that a plan for the distribution of such funds reflects a new policy or purpose not contemplated by this Act, he shall submit to the Congress his recommendations, either in the form of a report or of proposed legislation, to effect the distribution of such funds.

RULES AND REGULATIONS

Sec. 7. (a) The Secretary shall promulgate rules and regulations to implement this Act no later than six months from the date of enactment of this Act. Among other things, such rules and regulations shall provide for adequate notice to all entities and persons who may receive funds under any Indian judgment of all relevant procedures pursuant to this Act concerning any such judgment.

(b) No later than sixty days prior to the promulgation of such rules and regulations the Secretary shall publish the proposed rules and regulations in the Federal Register.

(c) No later than thirty days prior to the promulgation of such rules and regulations, the Secretary shall provide, with adequate public notice, the opportunity for hearings on the proposed rules and regulations, once published, to all interested parties.

Sec. 8. For the purposes of clause (5) of subsection 4(d), "significant portion" means a portion of the net distributable funds of an Indian judgment which shall be no less than 20 per centum unless otherwise warranted by the particular circumstances of the pertinent Indian tribe, band, group, pueblo, or community.

Sec. 9. None of the funds distributed per capita under the provisions of this Act shall be subject to Federal or State income taxes, and per capita payments less than \$4,000 shall not be considered as income or resources when determining the extent of eligibility for assistance under the Social Security Act.

AMENDMENT OFFERED BY MR. MEEDS

Mr. MEEDS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MEEDS: Strike out all after the enacting clause of S. 1016 and insert in lieu thereof the provisions of H.R. 8029, as passed.

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read:

To provide for the distribution of funds appropriated in satisfaction of certain judgments of the Indian Claims Commission and the Court of Claims, and for other purposes.

A motion to reconsider was laid on the table.

A similar House bill (H.R. 8029) was laid on the table.

CORRECTING TYPOGRAPHICAL AND CLERICAL ERRORS IN PUBLIC LAW 93-86

Mr. POAGE. Mr. Speaker, I move to suspend the rules and pass the bill (S. 2419) to correct typographical and clerical errors in Public Law 93-86.

The Clerk read as follows:

S. 2419

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Public Law 93-86 is amended as follows:

(a) Paragraph (6) of section 1 is amended by—

(i) striking "diary" and inserting "dairy",
(ii) striking the quotation marks following "articles.", and
(iii) striking "Agriculture Act of 1973" and inserting "Agriculture and Consumer Protection Act of 1973".

(b) Paragraphs (8) and (20) of section 1 are each amended by striking the comma from that part reading: "If the Secretary determines that the producers are prevented from planting, any portion".

(c) Paragraph (12) of section 1 is amended by striking "(12)(a)" and inserting "(12)".

(d) Paragraph (18) of section 1 is amended by—

(i) revising the first paragraph (C) appearing therein so that the quoted sentence contained therein is placed immediately after "follows:" and does not constitute a separate paragraph,
(ii) redesignating the second paragraph (C) appearing therein and paragraphs (D), (E), and (F) as (D), (E), (F), and (G), respectively,

(iii) inserting a comma at the end of the first paragraph (C) and at the end of paragraph (D) as so redesignated, and
(iv) striking the period at the end of paragraph (F) as so redesignated and inserting a comma and the word "and".

(e) The second paragraph of paragraph (26) of section 1 is amended by—

(i) inserting double quotation marks and "SEC. 703." at the beginning thereof,
(ii) striking the double quotation marks which precede the word "and" and inserting a single quotation mark, and

(iii) striking the period and double quotation marks at the end thereof and inserting a single quotation mark followed by a period.

(f) Quoted section 812 contained in paragraph (27) (B) of section 1 is amended by striking out the quotation marks at the end thereof.

(g) Paragraph (28) of section 1 is amended by—

(i) striking out paragraphs (1) through (4) appearing in quoted section 1001 and inserting said paragraphs in quoted section 1003(a) immediately before paragraph (5), and

(ii) changing the colon at the end of quoted section 1007(a) to a period.

(h) Section 3(b) is amended by striking "foregoing" and inserting "foregoing".

(i) Section 3(l) is amended by inserting "(1)" after the word "amended".

(j) The final sentence of section 3(l) is amended by inserting "members of" after "permit".

(k) Section 3(m) is amended by striking "for value" and inserting "for households of a given size unless the increase in the face value".

The SPEAKER. Is a second demanded?

Mr. TEAGUE of California. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. POAGE. Mr. Speaker, I yield myself such time as I may consume.

This bill does nothing more than correct the errors which were written into the Agriculture and Consumer Protection Act of 1973 when it was sent to the Government Printing Office.

Unfortunately, most of us have had the experience in the past few years of finding that the Printing Office brings in more errors than it corrects. That is the situation here.

This bill does not change any substantive portion of the legislation which was presented in the conference report to the House. It simply corrects those errors, most of which are of spelling, some of which are of punctuation, and in one case where there is a whole line placed in the wrong position.

We sought to correct those errors on the passage of the bill, and there was objection. We sought to correct them by unanimous consent, and again there was objection—based, as I understand it, on the desire of one of our colleagues to amend the conference report, on an appropriation bill. These objections do not go to the merits of this bill at all. That seems to me to be a very unfair approach.

Frankly, I do not recall any other instance in the House when there was objection to making a correction of a typographical error of this type, certainly there has been no other instance of such a blatant example of refusing to correct an error in one bill because the objector did not like another bill but objection has been made, so we have to bring the measure to the House in this form.

Mr. TEAGUE of California. Mr. Speaker, I yield myself such time as I may consume.

As my colleagues will remember, I was very much opposed to the general farm bill itself, and worked very hard to try to defeat it.

I certainly have no objection to making these corrections, which has to be done, of typographical errors and in one case the transposition of a line.

I do support this bill and recommend its enactment.

Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Speaker, I objected to this bill when it came up by unanimous consent the last day before the recess, and I again objected, I believe, about a week ago.

I spoke to the chairman about it. At that time I was hopeful we could arrive at a compromise with regard to the Agriculture appropriation bill. I wanted to retain the strict, no-loophole language with regard to the \$20,000 payment limitation and also delete the \$10 million subsidy for Cotton, Inc.

At the time I told the chairman that if these two things would be done, I would not raise an objection if this bill would come to the floor.

Unfortunately, the agriculture appropriations bill came back from the conference without the language that plugged the loopholes in the \$20,000 subsidy payment limitation, even though the House had instructed its conferees to insist on this. The conference report

made the motion passed by the House almost worthless, because big corporate farmers can still get around the law by leasing, subdividing, and making end runs around the payment limitation amendment adopted by both the House and the Senate.

However, Mr. Speaker, I did win a partial victory in regard to the \$10 million payment to Cotton, Inc., which I exposed here on the floor as a fraud upon the taxpayers.

I was able to get \$7 million deleted, which left just \$3 million in the appropriation bill earmarked for cotton research.

I am not happy about the method by which this "technical corrections" bill has come to the floor. I wish that it had not come up under suspension, because if it came in under a regular rule, I would have another crack at putting in a strict \$20,000 payment limitation and deleting the \$10 million Federal subsidy for Cotton, Inc., which is in the authorization bill.

Mr. Speaker, the procedure by which the bill was brought in does not allow me to make such a motion. The bill was brought in under suspension, and if it is roll-called, I will vote against it.

(Mr. CONTE asked and was given permission to revise and extend this remarks.)

Mr. CLARK. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Pennsylvania.

Mr. CLARK. Mr. Speaker, I agree with the gentleman from Massachusetts 100 percent. I further wish to say that the people in my district feel exactly the same way. Therefore, I must vote and deal with the matter accordingly.

Mr. Speaker, I thank the gentleman for yielding.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. POAGE) that the House suspend the rules and pass the bill S. 2419.

The question was taken.

Mr. CONTE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 330, nays 28, not voting 76, as follows:

[Roll No. 486]

YEAS—330

Abdnor	Brademas	Byron
Abzug	Brasco	Camp
Andrews, N.C.	Bray	Carey, N.Y.
Andrews,	Breaux	Carter
N. Dak.	Breckinridge	Casey, Tex.
Annunzio	Brinkley	Cederberg
Arends	Brooks	Chamberlain
Ashbrook	Broomfield	Chappell
Ashley	Brotzman	Chisholm
Aspin	Brown, Mich.	Clausen,
Bafalis	Brown, Ohio	Don H.
Baker	Broyhill, N.C.	Clawson, Del
Bauman	Broyhill, Va.	Clay
Bergland	Burgener	Cochran
Bevill	Burke, Calif.	Cohen
Bingham	Burke, Mass.	Collier
Blackburn	Burleson, Tex.	Collins, Ill.
Boggs	Burlison, Mo.	Collins, Tex.
Boland	Burton	Conable
Bowen	Butler	Conlan

Corman	Jordan	Robison, N.Y.
Coughlin	Karth	Rodino
Crane	Kastenmeier	Roe
Culver	Kazen	Rogers
Daniel, Dan	Keating	Roncalio, Wyo.
Daniel, Robert	Kemp	Rooney, Pa.
W., Jr.	Ketchum	Rose
Daniels,	King	Rostenkowski
Domnick V.	Kluczynski	Roush
Danielson	Koch	Rousselot
Davis, S.C.	Kuykendall	Roy
Davis, Wis.	Kyros	Royal
de la Garza	Landgrebe	Ruppe
Delaney	Landrum	Ruth
Dellenback	Latta	Ryan
Dellums	Lehman	St Germain
Denholm	Litton	Sarasin
Dennis	Long, La.	Sarbanes
Dent	Long, Md.	Satterfield
Derwinski	Lott	Scherle
Devine	Lujan	Schroeder
Dickinson	McClory	Selbelius
Downing	McCloskey	Selberling
Drinan	McCollister	Shipley
Dulski	McCormack	Shoup
Duncan	McDade	Shriver
du Pont	McEwen	Sikes
Eckhardt	McFall	Skubitz
Edwards, Ala.	McKay	Snyder
Edwards, Calif.	McKinney	Spence
Eilberg	Madigan	Staggers
Erlenborn	Mahon	Stanton, J. William
Evans, Colo.	Mailliard	Stanton, James V.
Evans, Tenn.	Mallary	Stark
Fascell	Mann	Steed
Findley	Maraziti	Steele
Fisher	Martin, Nebr.	Steelman
Flood	Martin, N.C.	Steiger, Ariz.
Flowers	Mathis, Ga.	Stephens
Foley	Matsunaga	Stokes
Forsythe	Mayne	Stratton
Fountain	Mazzoli	Stuckey
Fraser	Meeds	Sullivan
Frelinghuysen	Melcher	Talcott
Frenzel	Metcalfe	Taylor, Mo.
Frey	Mezvinsky	Teague, Calif.
Froehlich	Milford	Teague, Tex.
Fulton	Miller	Thompson, N.J.
Gaydos	Minish	Thompson, Wis.
Gettys	Mink	Thone
Gialmo	Mitchell, N.Y.	Thornton
Gibbons	Mizell	Towell, Nev.
Ginn	Montgomery	Treen
Gonzalez	Moorhead,	Udall
Goodling	Calif.	Ullman
Grasso	Moorhead, Pa.	Van Deerlin
Gray	Morgan	Vander Jagt
Green, Pa.	Mosher	Vanik
Gross	Moss	Veysey
Gunter	Murphy, Ill.	Vigorito
Guyer	Myers	Walsh
Haley	Natcher	Wampler
Hamilton	Nedzi	Ware
Hammer-	Neisen	Whalen
schmidt	Nichols	Whitehurst
Hanley	Obe	Whitten
Harsha	O'Brien	Widnall
Harvey	O'Hara	Wiggins
Hastings	O'Neill	Williams
Hawkins	Owens	Wilson, Bob
Hays	Parris	Wilson, Charles H., Calif.
Hebert	Passman	Wilson, Charles, Tex.
Hechler, W. Va.	Patten	Winn
Heckler, Mass.	Perkins	Wolff
Helstoski	Pettis	Wright
Henderson	Peyster	Wyatt
Hicks	Pickle	Wylie
Hillis	Poage	Wyman
Hinshaw	Poddell	Yates
Hogan	Powell, Ohio	Yatron
Holifield	Preyer	Young, Alaska
Holt	Price, Ill.	Young, Ga.
Horton	Price, Tex.	Young, Ill.
Howard	Quie	Young, Tex.
Huber	Quillen	Zablocki
Hungate	Randall	Zion
Hunt	Rangel	Zwach
Hutchinson	Rarick	
Ichord	Regula	
Jarman	Reuss	
Johnson, Calif.	Rhodes	
Johnson, Pa.	Rinaldo	
Jones, Ala.	Roberts	
Jones, Okla.	Robinson, Va.	
		NAYS—28
Adams	Cotter	Macdonald
Anderson,	Donohue	Moakley
Calif.	Fish	Pike
Bennett	Gilman	Fritchard
Blester	Grover	Elegie
Clancy	Hanrahan	Roncalio, N.Y.
Clark	Hosmer	Rosenthal
Conte	Lent	Saylor

CONGRESSIONAL RECORD — HOUSE

Schneebeli
Shuster Smith, N.Y. Wydler
NOT VOTING — 76 Studds

Addabbo Ford, Gerald R. Mitchell, Md.
Alexander Ford, Mollohan
Anderson, Ill. William D. Murphy, N.Y.
Archer Fuqua Nix
Armstrong Goldwater Patman
Badillo Green, Oreg. Pepper
Barrett Griffiths Railisback
Beard Gubser Rees
Bell Gude Reid
Biaggi Hanna Rooney, N.Y.
Blatnik Hansen, Idaho Runnels
Boiling Hansen, Wash. Sandman
Brown, Calif. Harrington Sisk
Buchanan Heinz Slack
Burke, Fla. Holtzman Smith, Iowa
Carney, Ohio Hudnut Steiger, Wis.
Cleveland Johnson, Colo. Stubblefield
Conyers Jones, N.C. Symms
Cronin Jones, Tenn. Taylor, N.C.
Davis, Ga. Leggett Tiernan
Diggs McSpadden Waggoner
Dingell Madden Walde
Dorn Mathias, Calif. White
Esch Michel Young, Fla.
Eshleman Mills, Ark. Young, S.C.
Flynt Minshall, Ohio

So (two-thirds having voted in favor thereof, the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

Mr. Rooney of New York with Mr. Flynt.
Mr. Stubblefield with Mr. Murphy of New York.

Mr. Addabbo with Mr. Patman.

Mr. Barrett with Ms. Holtzman.

Mr. Blatnik with Mr. Young of South Carolina.

Mrs. Green of Oregon with Mr. Gerald R. Ford.

Mr. Madden with Mr. Sandman.

Mr. Carney of Ohio with Mr. Symms.

Mr. Davis of Georgia with Mr. Eshleman.

Mr. Dingell with Mr. Young of Florida.

Mr. Mollohan with Mr. Railisback.

Mr. Nix with Mr. William D. Ford.

Mr. Leggett with Mr. Esch.

Mr. Jones of Tennessee with Mr. Buchanan.

Mr. Sisk with Mr. Minshall of Ohio

Mr. Reid with Mr. Bell.

Mr. Pepper with Mr. Goldwater.

Mr. Alexander with Mr. Beard.

Mr. Badillo with Mr. McSpadden.

Mr. Dorn with Mr. Gubser.

Mr. Diggs with Mr. Walde.

Mr. Waggoner with Mr. Archer.

Mr. Tiernan with Mr. Cronin.

Mr. Slack with Mr. Gude.

Mrs. Hansen of Washington with Mr. Burke of Florida.

Mr. Hanna with Mr. Heinz.

Mr. Fuqua with Mr. Cleveland.

Mr. Biaggi with Mr. Mathias of California.

Mr. Conyers with Mr. Brown of California.

Mr. Jones of North Carolina with Mr. Hudnut.

Mr. Mills of Arkansas with Mr. Michel.

Mr. Mitchell of Maryland with Mr. Runnels.

Mr. Rees with Mr. Steiger of Wisconsin.

Mrs. Griffiths with Mr. Anderson of Illinois.

Mr. Smith of Iowa with Mr. Taylor of North Carolina.

Mr. White with Mr. Harrington.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ish-Speaking People, and for other purposes.

The Clerk read as follows:

H.R. 10397

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to establish the Cabinet Committee on Opportunities for Spanish-Speaking People, and for other purposes", approved December 30, 1969 (83 Stat. 838; 42 U.S.C. 4301), is amended as follows:

(1) Section 2 is amended—

(A) in subsection (b) thereof, by striking out "and" at the end of paragraph (11), by striking out the period at the end of paragraph (12) and inserting in lieu thereof a semicolon, and by adding after paragraph (12) the following new paragraphs:

"(13) the Secretary of Defense;

"(14) the Secretary of Transportation; and

"(15) the Administrator of Veterans' Affairs;"

(B) in subsection (e) thereof, by striking out "quarterly" and inserting in lieu thereof "semiannually"; and

(C) by adding at the end thereof the following new subsection:

"(f) A group of fourteen individuals in addition to the Chairman, each of whom shall represent one member of the Committee, shall meet at the call of the Chairman at least six times each year."

(2) Subsection 3(a) is amended by adding at the end thereof the following new paragraph:

"(3) to advise and assist Spanish-speaking and Spanish-surnamed groups and individuals in receiving assistance available by law."

(3) Section 4 is amended by adding at the end thereof the following new subsection:

"(d) The Committee shall operate such regional offices as may be necessary to efficiently carry out the provisions of this Act."

(4) Section 7 is amended—

(A) in subsection (a) thereof, by striking out in the first sentence "nine" and inserting in lieu thereof "eleven", and by striking out in the second sentence "Committee" and inserting in lieu thereof "Chairman".

(B) in subsection (b) thereof, by striking out the first two sentences and inserting in lieu thereof: "The Advisory Council shall advise the Committee with respect to such matters as may be of concern to the Spanish-speaking and Spanish-surnamed community. The Chairman shall submit all independently produced reports and studies to the Advisory Council for advice and comment. The President shall designate the Chairman and the Vice Chairman of the Advisory Council."

(C) by adding at the end thereof the following new subsections:

"(d) The Advisory Council shall conform to the provisions of the Federal Advisory Committee Act (86 Stat. 770; 5 U.S.C. App. I).

"(e) The Chairman of the Committee shall call and attend a meeting of the Advisory Council at least quarterly during each year."

(5) Section 9 is amended by adding the following new sentence at the end thereof: "No part of any funds authorized to carry out this Act shall be used to finance any activities designed to influence the outcome of any election to Federal office or any voter registration activity, or to pay the salary of the Chairman or any employee of the Committee after the date on which such persons engage in such activity, as determined by the United States Civil Service Commission. No person found by the United States Civil Service Commission to have violated this provision shall be required to repay more than thirty days of his salary. For the purpose of this section, the term 'election' shall have the same meaning as prescribed for such

term by section 301(a) of the Federal Election Campaign Act of 1971 (86 Stat. 3), and the term 'Federal office' shall have the same meaning as prescribed for such term by section 301(c) of such Act."

(6) Section 10 is amended by deleting the language therein and inserting in lieu thereof of the following: "There is hereby authorized to be appropriated for fiscal year 1974 the amount of \$1,500,000 and for fiscal year 1975 for a period ending December 30, 1974, the amount of \$750,000, to carry out the provisions of this Act. At least 50 per centum of the amount of any funds expended for salaries under this Act shall be expended for salaries of employees in regional offices of the Committee located outside Washington, District of Columbia".

The SPEAKER. Is a second demanded?
Mr. HORTON. Mr. Speaker, I demand a second.

Mr. WIGGINS. Mr. Speaker, I demand a second.

The SPEAKER. Is the gentleman from New York opposed to the bill?

Mr. HORTON. Mr. Speaker, I am not opposed to the bill.

The SPEAKER. Is the gentleman from California opposed to the bill?

Mr. WIGGINS. Mr. Speaker, I am opposed to the bill.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, I yield myself 5 minutes.

(Mr. HOLIFIELD asked and was given permission to revise and extend his remarks.)

Mr. HOLIFIELD. Mr. Speaker, the purpose of H.R. 10397 is to provide authorization for appropriations for the Cabinet Committee on Opportunities for Spanish-Speaking People through December 30, 1974, which is the date when the enabling legislation for the Cabinet Committee expires.

Under Public Law 91-181, approved December 30, 1969, the Cabinet Committee was established for a period of 5 years. However, appropriations were authorized initially only for 1½ fiscal years, and extended for 2 fiscal years in 1971.

As the situation now stands, the Cabinet Committee has 1½ years to run, but its funding authorization expired on June 30, 1973. It is now operating on the basis of a continuing resolution. Enactment of H.R. 10397 is necessary to authorize funding for the remainder of the Cabinet Committee's statutory tenure.

The Cabinet Committee on Opportunities for Spanish-Speaking People was created by statute in 1969 as a successor to the Inter-agency Committee on Mexican Affairs, which was established by President Johnson. Its objective is to help insure that Federal programs are responsive to the needs of the Spanish-speaking people. They comprise a diverse community, with Puerto Rican, Mexican, Cuban, and other backgrounds. Many of these Americans are seriously disadvantaged in terms of employment, education, housing, and health care.

The 1969 legislation provided that the Cabinet Committee be composed of seven Cabinet officials and four agency heads. The chairman of the Cabinet Committee is appointed by the President and confirmed by the Senate. He is a full-time

~~CABINET COMMITTEE ON OPPORTUNITIES FOR SPANISH-SPEAKING PEOPLE~~

Mr. HOLIFIELD. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 10397) to extend the authorization of appropriations for the Cabinet Committee on Opportunities for Span-



An Act

To correct typographical and clerical errors in Public Law 93-86.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Public Law 93-86 is amended as follows:

(a) Paragraph (6) of section 1 is amended by—
(i) striking out “diary” and inserting “dairy”,
(ii) striking the quotation marks following “articles.”, and
(iii) striking “Agriculture Act of 1973” and inserting “Agriculture and Consumer Protection Act of 1973”.
~~(b) Paragraphs (8) and (20) of section 1 are each amended by striking the comma from that part reading: “If the Secretary determines that the producers are prevented from planting, any portion”;~~
~~(c) Paragraph (12) of section 1 is amended by striking “(12)(a)” and inserting “(12)”.
(d) Paragraph (18) of section 1 is amended by—
(i) revising the first paragraph (C) appearing therein so that the quoted sentence contained therein is placed immediately after “follows:” and does not constitute a separate paragraph,
(ii) redesignating the second paragraph (C) appearing therein and paragraphs (D), (E), and (F) as (D), (E), (F), and (G), respectively,
(iii) inserting a comma at the end of the first paragraph (C) and at the end of paragraph (D) as so redesignated, and
(iv) striking the period at the end of paragraph (F) as so redesignated and inserting a comma and the word “and”.
(e) The second paragraph of paragraph (26) of section 1 is amended by—
(i) inserting double quotation marks and “SEC. 703.” at the beginning thereof,
(ii) striking the double quotation marks which precede the word “and” and inserting a single quotation mark, and
(iii) striking the period and double quotation marks at the end thereof and inserting a single quotation mark followed by a period.
(f) Quoted section 812 contained in paragraph (27)(B) of section 1 is amended by striking out the quotation marks at the end thereof.
(g) Paragraph (28) of section 1 is amended by—
(i) striking out paragraphs (1) through (4) appearing in quoted section 1001 and inserting said paragraphs in quoted section 1003(a) immediately before paragraph (5), and
(ii) changing the colon at the end of quoted section 1007(a) to a period.
(h) Section 3(b) is amended by striking “foregoing” and inserting “foregoing”.
(i) Section 3(i) is amended by inserting “(1)” after the word “amended”.
(j) The final sentence of section 3(k) is amended by inserting “members of” after “permit”.
(k) Section 3(m) is amended by striking “for value” and inserting “for households of a given size unless the increase in the face value”.~~

Approved October 18, 1973.

LEGISLATIVE HISTORY:

CONGRESSIONAL RECORD, Vol. 119 (1973):
Sept. 17, considered and passed Senate.
Oct. 1, considered and passed House.

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